With the Compliments of the Secretary,
Bombay Chamber of Commerce.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1944

(*Established 22nd September* 1836)

(*Incorporated 18th June* 1924)

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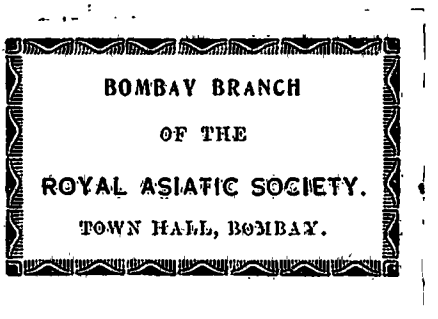

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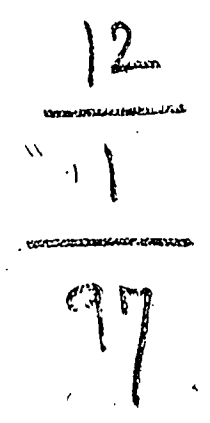

1945

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OF THE

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OF THE

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FOR THE YEAR 1944

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Presented to the Annual General Meeting held on 14th March 1945.

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Marshall F. Reid, C.I.E.	1914
T. W. Birkett	1915
J. S. Wardlaw Milne	1916
Malcolm N. Hogg	1917, 1918
Nigel F. Paton	1919
A. H. Froom	1920
H. P. W. Macnaghten	1921
Sir Frank Nelson	1922, 1923

*Part year.

Presidents.

L. S. Hudson	1924	G. L. Winterbotham	1934
V. A. Grantham	1925	Sir John Abercrombie, M.C.	1935
Sir Joseph Kay	1926	L. A. Halsall	1936
Sir Leslie Hudson	1927	G. H. Cooke	1937
Sir Hugh Cocke	1928	A. McIntosh	1938
G. L. Winterbotham	1929	A. K. G. Hogg	1939
J. R. Abercrombie, M.C.	1930	C. P. Bramble	1940
E. Miller	1931	J. M. B. Gibbons	1941, 1942
R. R. Haddow	*1932	L. A. Halsall	1943
Sir Hugh Cocke	*1932	A. L. Hutson	*1944
W. G. Lely	1933	C. P. Bramble	*1944, 1945

Secretaries.

R. X. Murphy	1836–38	David Watson (Acting)	1881–82
J. E. Brenan	1838	John Marshall	1884–98
R. X. Murphy	1838–41	Frederick Noel Paton	1898–1905
T. J. A. Scott	1841–46	J. B. Leslie-Rogers	1905–1911
John Connon	1846–57	R. E. Gregor-Pearse	1912–1920
John Mawson	1857–59	C. B. Sayer	1921–1925
J. A. Crowe (Acting)	1858–59	R. J. F. Sulivan	1925–1937
H. Brooke	1859–64	C. H. Courthope-Munroe —Appointed 1937.	
James Taylor	1864–73		
John Gordon	1873–84		

*Part year.

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January 1936.)

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Bombay Chamber of Commerce

ANNUAL GENERAL MEETING

THE Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie and Company's Building, Ballard Estate, on Wednesday, 14th March 1945, at 12 o'clock (noon) to transact the following business :—

1. To adopt the Report of the Committee of the Chamber for the year 1944.

2. To elect eight ordinary members of the Committee of the Chamber for the year 1945-46 in accordance with the provisions of Article 41.

3. To appoint Auditors of the Chamber's Accounts for the year 1945, and to fix their remuneration.

Any other business that may be brought forward.

MR. C. P. BRAMBLE, M.L.A., President of the Chamber, presided and was supported by Mr. W. L. A. Radcliffe (Vice-President), Messrs. C. R. Agar, A. H. Baker, L. P. S. Bourne, R. W. Bullock, C. J. Damala, W. Kerr, Maneklal Premchand, A. W. Percy, W. G. J. Shaw and B. J. Whitby, Members of the Committee.

Among those present were :—

His Excellency The Right Honourable Sir John Colville, P.C., G.C.I.E., T.D., Governor of Bombay; Sir Charles Bristow, C.I.E. I.C.S.; Mr. G. F. S. Collins, C.S.I., C.I.E., O.B.E., I.C.S., and Mr. I. H. Taunton, C.I.E., I.C.S., Advisers to H. E. The Governor; Major-General E. G. Beard, C.B.E., M.C., Commander, 108 L. of C. Area; Mr. W. H. E. Garrett, I.S.E., Secretary to the Government of Bombay, P.W.D.; Mr. R. H. Hammett, I.S.E., Additional Secretary to the Government of Bombay, P.W.D.; Mr. V. G. Matthews, I.C.S., Collector of Customs; Mr. U. M. Mirchandani, I.C.S., Municipal Commissioner; Sir Chintaman D. Deshmukh, Governor, Reserve Bank of India; Mr. M. P. Kanga, Director of Industries; Mr. W. D. M. Clarke, H. M. Trade Commissioner; Mr. W. G. H. Templeton, Manager, Bombay Port Trust Docks; Mr. C. F. Morris, Chairman, European Association; Mr. E. Radbone, Controller of Enemy Trading; Mr. J. B. Ross, Regional Food Commissioner, Bombay Region; Rao Bahadur

Maneklal Lalubhai, Country Craft Organisation Officer, Bombay; Major O. C. W. Fuhrman, O.B.E., Acting Australian Government Trade Commissioner; Mr. R. J. Inglis, New Zealand Government Representative in India; the Swiss Trade Commissioner for British India, Burma and Ceylon; the Consuls General for France, Poland and Turkey; the Consuls for Denmark, Netherlands and Norway; Lieut. W. Halstead Key, Commercial Attaché; Captain R. K. Spencer, R.N.; Mr. C. E. Leman, Ministry of War Transport; Mr. Ramnath A. Podar, of the Bombay Millowners' Association.

The following members of the Chamber were also present at the meeting:—

Mr. G. A. H. Alexander	Alexander & Co.
,, S. K. Billimoria	Alexander & Co.
,, M. Graham Brash	Allied Publishers and Stationery Manufacturers, Ltd.
,, C. F. Freeman	Andrew Yule & Co., Ltd.
,, L. A. Halsall	Anglo-Thai Corporation, Ltd., Herbertsons, Ltd.
,, H. V. Pointon	Asea Electric Ltd.
,, K. P. Eranee	Bell, Russ & Co., Ltd.
,, F. B. Murzban	Bell, Russ & Co., Ltd.
,, W. H. Jackson	Blackie and Sons (India), Ltd.
,, L. F. H. Goodwin	The Bombay Company, Ltd.
,, L. W. Boulter	Bombay Gas Company, Ltd.
Sir Joseph Kay	W. H. Brady & Co., Ltd.
Mr. W. Jenkins	W. H. Brady & Co., Ltd.
,, H. Densem	The British Drug Houses, Ltd.
,, E. L. C. Edyvean	The British Drug Houses, Ltd.
,, G. P. Pakenham Walsh	Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
,, D. W. Mullock	Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
,, W. E. Hunt	Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
,, W. R. G. Brew	Burmah-Shell Oil Storage and Distributing Co. of India, Ltd.
,, W. J. Burrows	W. J. Burrows.
,, R. R. Edward	Card Clothing and Belting, Ltd.
,, J. Stobbart	Carr & Co., Ltd.
,, C. W. Fowler	Cement Marketing Co. of India, Ltd.
,, Harry Godfrey	The Central Agency Ltd.
,, Himatlal T. Muni	Chaturbhuj Bhaichandbhai & Co.
,, W. Weissenbach	Ciba (India) Ltd.
,, C. W. Warrington	Cox & Kings (Agents) Ltd.
,, Ramgopal Ganpatrai Ruia	Dhanraj Mills.
,, Y. A. Fazalbhoy	Fazalbhoy, Ltd.
,, R. H. Judd	Fleming, Shaw & Co., Ltd.
,, A. Barber	Fleming, Shaw & Co., Ltd.

Mr. J. C. Lancashire ..	Forbes, Forbes, Campbell & Co., Ltd. / Goodlass Wall (India), Ltd.
,, R. A. M. Henson ..	H. J. Foster & Co., Ltd.
,, C. E. Penn	The General Electric Co. (India) Ltd.
,, H. C. deMierre	General Motors India, Ltd.
,, J. L. Dickie	Gillanders, Arbuthnot & Co.
Sir Thomas Sinclair Kennedy.	Glenfield and Kennedy, Ltd.
Mr. David Cunningham ..	
,, R. A. F. Kidson ..	Grahams Trading Co. (India), Ltd.
,, W. M. Hodge	
,, A. McIntosh	Greaves Cotton & Co., Ltd.
,, C. H. Hardcastle ..	Hardcastle, Waud & Co., Ltd.
,, C. W. H. P. Waud ..	
,, F. H. Pilcher	W. T. Henley's Telegraph Works Co., Ltd.
,, C. D. Priestley	Imperial Chemical Industries (India), Ltd.
,, E. Geoghegan	The Imperial Tobacco Co. of India, Ltd.
,, M. W. R. Sell	The Indian Oxygen and Acetylene Co., Ltd.
,, F. G. Allen	Johnson and Phillips, Ltd.
,, E. J. C. Herring ..	Jost's Engineering Co., Ltd.
,, R. C. Lowdnes	Killick, Nixon & Co.
,, J. G. Milne	
,, O. L. Prideaux	
,, M. S. Raghva Chary ..	Kishinchand Chellaram.
,, A. D. Finney	Mackinnon Mackenzie & Co.
,, R. Stovold	
,, W. A. Huitt	
,, A. H. Ford	
,, Madhavlal M. Bhatt ..	Madhavlal & Co., Ltd.
,, G. W. Gosling	Martin & Harris, Ltd.
,, M. Godefroy	May and Baker (India), Ltd.
,, A. C. Benzie	
,, R. W. Westbrook ..	The Metal Box Co. of India, Ltd.
,, E. W. Stevens	Metcalfe & Hodgkinson.
,, E. F. Alsac	Michelin Tyre (India) Ltd.
,, H. K. Tuston	Ormerods (India) Ltd.
,, G. Wilkinson	Pilkington Brothers, Ltd.
,, A. Sotiriadi	Ralli Brothers, Ltd.
,, M. Paspatti	
,, E. W. A. Richardson ..	Richardson and Cruddas.
,, F. S. Woodcock ..	
Sir Victor Sassoon	E. D. Sassoon & Co., Ltd.
Mr. W. B. Bryden	

Mr. A. S. Tyebjee	Shalebhoy Tyebjee and Sons.
,, C. A. Cunliffe	Shaw Wallace & Co.
,, L. Armstrong Smith	Armstrong Smith Ltd.
,, R. G. Mahomed	
,, C. A. Osborn	Standard-Vacuum Oil Co.
,, R. T. Burton	
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,, C. B. Marshall	
,, W. Hutchinson	Steel Brothers & Co., Ltd.
,, L. A. Stronach	L. A. Stronach & Co. (India), Ltd.
,, Ranchhodas Gokuldas	Tulsidas Khimji.
,, C. J. Bollins	Turner, Hoare & Co., Ltd.
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,, F. C. Gray	
,, A. W. C. Brown	
,, J. L. Hurschler	Volkart Brothers.
,, W. M. Martin	Wolverhampton Works Co., Ltd.
,, H. C. MacColl	Chartered Bank of India, Australia and China.
,, N. G. Irvine	Imperial Bank of India.
,, R. N. Drake	Mercantile Bank of India, Ltd.
,, L. Randall	Atlas Assurance Co., Ltd.
,, W. Roberts	Commercial Union Assurance Co., Ltd.
,, A. S. Chadwick	Pearl Assurance Co., Ltd.
,, V. C. Wright	Royal Insurance Co., Ltd.
,, H. Chamberlain	Sun Life Assurance Co. of Canada.

Mr. C. H. C. Munroe, Secretary, and Mr. H. Royal, M.B.E., Assistant Secretary of the Chamber.

The notice convening the meeting having been read, MR. C. P. BRAMBLE, in opening the proceedings, said:—Your Excellency and Gentlemen,—Before proposing the adoption of the Annual Report of this Chamber I welcome you, Sir, and our other guests. As busy men ourselves we realise that it is no light matter for the Head of a Province to give up an hour or so of his working day: and we therefore appreciate your courtesy in attending our meeting.

The course of the war during the last year has surely fulfilled all but the wildest of hopes. There were those who prophesied at the beginning of 1944 that the war would be over by Christmas. One man's opinion was as good as another's; and the war had to end sometime; but the optimists in such a case—and I am not deprecating optimism—are never tied down to even a general indication of the successive steps by which the enemy's downfall is to be brought about. Looking back on events it seems remarkable, to me at any rate, that by this time so many countries

should have been liberated and so much enemy territory invaded. In early 1944 the Russian Army was still fighting well inside Russia—it had not yet reached the Polish Frontier—and the only other part of Europe proper in Allied hands was southern Italy. The situation in the Pacific was such that the amateur strategist boggled at any explanation more explicit than that it would not finally be cleared up until one year after the end of the war in Europe. To-day a pessimist could not be surprised by news that Germany had capitulated: and it is arguable that Japanese fanaticism may in the existing adverse circumstances materially shorten that war.

In thinking back on this progress of the war, our first sentiment can only be one of thanksgiving, not unmixed with pride at the achievements of our own people and our allies: achievements over the last five years, not just one or two, for 1944-45 was made possible by 1940-41.

But on this occasion I am expected to regard the war from the point of view of its effect on trade and commerce. From a commercial standpoint India is virtually in the position of a benevolent neutral; and, despite the loss of certain markets, has almost automatically attained prosperity, because the enemy has not been able to dislocate her industrial undertakings in connection with war supplies.

It follows as a matter of logic that complete victory will necessarily dispel some of the present war prosperity; and one can only hope that the experience gained after the last Great War will enable us this time to prevent the present boom being converted into a slump and to adjust ourselves non-catastrophically to the days of peace. It is scarcely necessary to add that, in any case, hard work will be required, as never before, of those who desire a high standard of living; and particularly of the British who earn their living in India.

When I was attempting in this room four years ago to make a similar review of the impact of the war upon our commerce, I referred to the unfettered choice which we in India—firms and individuals alike—could still exercise in most walks of life; whereas in England everthing even then seemed to be closely regimented. We are now learning something of what control means in the business world; though our private lives are scarcely affected by war-time conditions.

However much we may dislike control in principle, and aggravated though our dislike may be by its clumsy application in practice, we should do well to face the fact that it will not cease with the end of the war. How long it will last is anybody's guess; but it seems obvious that the rehabilitation—by which I mean nothing more than the feeding and clothing—of half the

world, will be the concern and moral duty of the other half, for perhaps years to come. I believe that the International Business Conference recently held in America disclosed a difference between the British and American attitude towards the problem. It is not surprising that the doctrine of *laissez faire* finds greater favour with the Americans.

That control should be carefully and efficiently exercised is a counsel of perfection : and the appointment of a controller of controllers has been facetiously advocated. There is, however, much to be said for submitting all control orders to a special department in the same way that Bills are sent for drafting to a Legal Remembrancer. Such a procedure might obviate the necessity for further verse of the type in which " A.C.G." recently pilloried the Commerce Department for permitting the export as personal luggage of 20 polo sticks but of not more than one pair of spectacles !

There are, however, some extraordinary inconsistencies as well as inexplicable inaction on the part of senior officials in important matters. The Export Trade Controller has occasionally taken a firm line by posting a merchant in the black list and denying him any further export licences ; but the merchant, as often as not, is enabled to continue trading because his current licences have not expired ; and have not been cancelled. Even after the expiry of his current licences, which may be a matter of four months, the merchant does not necessarily feel it expedient to return to his native land—usually Persia or Iraq—because other merchants, not yet on the black list, may value his market connections and facilitate his trading, nominally on their behalf and under cover of their licences.

Deportation, it is true, would meet the case where a foreigner has been found guilty of undesirable business practices : and during the last six months a number of deportation orders have been served in connection with the illegal exports to the Persian Gulf area. Yet some of these orders have been ignored by the recipients and the authorities appear to make no attempt to enforce them. Admittedly some deportees have been encouraged to remain here for sufficient time to allow the Commissioner of Income-tax to mulct them : but this does not account for all the lingerers ; and, in any case, they should all be prohibited from engaging in further export business. The abuse of the export trade with the Persian Gulf area is, of course, helped by the proximity of foreign countries such as Goa and of Indian States. In the case of the latter at any rate a firm action should be taken.

Quiet on the political front has been conducive to an easy course for commerce. Beyond putting Malabar Hill out of bounds for non-residents, the conversations between Mr. Gandhi and

Mr. Jinnah had little disruptive effect. Those of us, indeed, who were credulous enough to treat the talks seriously, learnt afterwards from the nationalist Press that they had never from the outset any prospect of success.

Yet I would be so bold as to suggest that this is the last occasion on which we shall have as our guest a Governor acting under Section 93 of the Government of India Act, and I trust, Sir, that your singular position enables you to speak more freely than it would behove you to do as a constitutional Head of a responsible Government. It must not be forgotten that the Congress Ministries resigned in 1939 because they were not prepared to assume responsibility for the prosecution of a war which they had no part in declaring. It would, I imagine, suit them to be back in office the day after the war ends ; and, to ensure that it is necessary for them to act sooner rather than later. My suggestion does not rule out the possibility of their finding it expedient to coalesce with other parties. One way or the other we may expect a revival of responsible Government.

Great Britain is recognised by all the world as a stronghold of Democracy, and it goes without saying that the British in India would like to see autonomy working satisfactorily in those Provinces now under Section 93. But let us remember that "Responsible Government," in the Western sense of the term, must for a long time to come be a misnomer in countries like India ; for, even when the Executive is responsible to the Legislature, the Legislature does not represent the whole population but merely that comparatively small section of it which enjoys the vote. In such circumstances, autonomous Ministries and elected Legislatures are rather Trustees than representatives ; and they therefore cannot be automatically regarded as desiderate, but must stand justified or condemned by the way in which their responsibilities of Trusteeship are honoured or abused.

But apart from the communal bias which antagonised Muslims and converted "Pakistan" from a mere slogan into a concrete political issue of the gravest import ; and apart from "the window-dressing" tendency in their legislation, the pre-war Congress Ministries had, by and large, a fair record of achievement ; and if they can profit from their previous mistakes, and avoid any relapse into partisanship at the expense of the whole body politic, there seems no reason why the similar Governments in this Province should not function with eventual success.

It is, perhaps, one result of Section 93 rule that there is little provincial legislation that calls for comment. Even so the one point I have to make is important in our eyes. The Bill to amend the Industrial Disputes Act permits the Labour Officer to call a

meeting of labour inside a mill's premises without having first obtained the mill's consent. This might conceivably be necessary as a temporary measure—though that is a matter of opinion—but the power should not be permanently vested in the Labour Officer in the terms of the Statute Book ; and our opposition to its being there is not lessened by the thought that consultation with the interests concerned, before the promulgation of the Bill, might have had other results.

Here, Sir, I would express our deep appreciation of the great achievements of your Adviser, Sir Henry Knight, your Civil Supplies Commissioner, Mr. A. D. Gorwala, and their army of gazetted and non-gazetted officials in connection with the obtaining and distribution of grain. Their pioneer rationing scheme for Bombay City, which has since been extended to every town of any size in the Province, was justly eulogised both in India and abroad ; and this success has since been capped by a procurement policy under which cultivators are legally bound to sell their surplus crops to Government, so that these can be retailed at fixed prices to the non-agricultural population through licensed shops. Your Government, Sir, has recognised the bounden duty of a Province, with an annual deficit of 350,000 tons of grain, to keep down indents on external supplies to the minimum and to see that internal resources are exploited to the full. It has shown an example to the whole of India by the way in which it has discharged its responsibilities for feeding the people.

The past year will long be remembered for the two explosions on the s.s. " Fort Stikine " on 14th April. The Inquiry Commission's Report on the disaster, despite its specific tribute to the personal gallantry of all concerned, left an unfortunate impression in the minds of the general public that practically everyone in authority on the spot, and even those in any way associated with the events which led up to the explosions, had lamentably failed to do what they ought to have done. It would be profitless to consider whether the unfortunate light in which they were depicted was primarily due to the omission of any legal re-examination of the witnesses after their cross-examination by the Court ; or to the high theoretical standard of Absolute Efficiency applied in calm and judicial retrospect to men who in practice had had only two and a half hours to deal with an entirely unforeseen crisis of unprecedented magnitude, and who were also very seriously handicapped by the entire absence of any prearranged plans for co-ordinated action under one central control. Both causes obviously conduced to over-harsh conclusions ; and in the circumstances the Awards recently announced are all the more welcome, and have done much to dispel any feeling that the recipients and their colleagues were more worthy of censure than of praise.

Amongst the Government of India Bills recently circulated for opinion there are two which, if passed, would have far-reaching effects on the trading community. Indeed, it is your Committee's conviction that they would be positively harmful as regards our members without conferring any benefit or, at least, any commensurate benefit on any other section of the public.

The Bill to consolidate and to amend the law relating to Banking Companies has little to be said for it. As long ago as 1940 the Reserve Bank circulated for opinion proposals for an Indian Bank Act ; but they received such scanty support from banking and commercial interests that the matter was dropped. It is not denied that in recent years there has been a rapid growth of banking resources and a large increase in the number of banks and their branches ; but that is not to say that the extensive control in the realm of banking which this Bill seeks to give to the Central Government and to the Reserve Bank, is in the real interests of the country's credit structure.

It is felt by your Committee that the view glibly advanced in the preamble, that the need for a separate and detailed Act has now become imperative, is far from conclusively proved. The statement of objects and reasons contains a number of observations which certainly do not warrant the preamble. One of the objects, it is claimed, is to protect the depositor rather than the shareholder, whose interests are already looked after by the Companies Act. But the legislation would be of doubtful benefit if it were to imbue depositors with a false sense of security. Depositors with Scheduled Banks are protected by the law as it stands ; since such banks are subject to the general supervision of the Reserve Bank : and there is no reason why all banks should not be Scheduled Banks. So-called control, which in fact is ineffective, is more dangerous than none at all. Neither this Bill nor any other can abolish the existence of unsound principle and it is doubtful whether any legislation can prevent the management of a bank from facilitating speculative and other undesirable operations. If more power is necessary it can be conferred by an amendment of the Reserve Bank of India Act. If, on the other hand, the Reserve Bank regards itself as too unwieldy to be capable of doing more in the matter there is obviously nothing to be said for giving it more power under any fresh legislation.

Although it proves nothing for the purpose of the argument, it is worth mentioning that in the U.S.A. where this legislative control of banking has been in force for many years, a large number of banking failures occurred during the slump following the Wall Street crash in 1929. But during the same acute period there was not a single case of a bank in the U.K. closing its doors.

The other piece of legislation introduced during the year which has caused us some concern is the Insurance (Second Amendment) Bill of 1944. It had been expected that no major alterations to the Insurance Act of 1938 would be considered during the war, but this Amending Bill contains certain clauses, especially those regarding the remuneration of chief agents, which would seriously affect the interests of some of our members. We have therefore made detailed proposals to the Government of India. These are reproduced in the Annual Report now in your possession. The Bill as it has emerged from the Select Committee still contains clauses which we feel to be unwarranted.

The National Service Advisory Committees for Bombay, Jubbulpore and Bolarum (as Secunderabad is called in military circles) all include a representative of this Chamber and operate from this office. The three Committees are identical as regards the civilian members, the military representative being changed on the rare occasions when the agenda is not concerned with Bombay's affairs. Recruitment in India of European British subjects, except in isolated cases of boys reaching military age, has come more or less to a standstill. The Committee's other functions, however, have been given full play. These are the consideration of requests from firms for the release of staff from His Majesty's Forces and the regulation of what has now come to be called the Key Leave Scheme.

As regards releases the Government of India has approved in theory of one criterion only—namely, whether, after taking all the circumstances into consideration, a man will be of more use to the war effort if released than if retained in the Armed Forces.

The Bombay Committee's proposal, that the necessity of a man to a firm's immediate reconstruction or post-war development should also be recognised as a good reason for release, has been rejected by Government. One cannot quarrel with this—it is difficult to refute the argument that first things should come first. In practice, however, the theory is belied and a firm might well fail to secure the release of an essential man because the army also found him essential but might succeed with a poor case where another man was concerned because the army itself set less store on his particular services.

More releases are required in the interests of many member firms of this and similar Chambers and, therefore, one can fairly say, in the interests of this country generally. The end of the war in Europe, thus enabling more officers to be spared for India, would automatically solve the problem. In the meantime the gravity of the situation has been represented to the Government of India directly and through the Group in Delhi.

The total number of men recruited on the advice of the Bombay Committee is 1,695, but this figure includes several hundred who were subject to conscription only in the literal sense ; that is, who, having come from the Balkans, Malaya or elsewhere, were " for the time being in India."

The applications for release submitted through Bombay have recently topped the hundred mark.

So much scorn has been cast on the Key Leave Scheme, because of the inadequacy of the numbers involved and the absurdity of the conditions laid down, that the Bombay Committee's claim to a large share in its inauguration may at first sight redound to its discredit.

The inequitable distribution of the 50 available passages between officials and non-officials in equal shares—though the ratio is now admitted to be as 3 is to 7 : the ineptitude which postulated that the number of homeward passages must be exactly the same as those outward though the latter were difficult to come by and the former plentiful : the decision resulting from this that Key men could not be accompanied homewards by their families, though an ordinary booking might well enable a woman or child to precede the priority-bearing head of the family : the eventual decision which removed most of these irritating details but which still limited a family for the purpose of travel to a wife and two children regardless of her fecundity ; all these caused the Committee to resort to protest, sarcasm and even vituperation.

Lest however we are too derisive of the bureaucratic mind, let us admit that the Scheme when first introduced was not utilised by firms to the best advantage. Indeed, a year ago some that have already benefited by it regarded home leave for any of their staff as out of the question, until at least, six months after the end of the European war.

We have had good reason to expect the monthly quota to be quadrupled, that is from 50 to 200 : 140 for non-officials against 60 for officials—which would mean Bombay non-officials getting 24 instead of 4. If we are right in putting the Bombay male population at about 1,000, this quota could always have been fully used. It is therefore disappointing, to say the least, that the increase just announced gives Bombay non-officials only 9 passages monthly. The other details of the increase are not yet known to me.

In conclusion, I would say that for more reasons than one I could wish that Mr. Radcliffe were your in-coming President. To him and to the Committee I now express my thanks for their tact and able support which made easy my arrival in their midst

during the course of the year. To the members of the Sub-Committees on whose expert knowledge much reliance is placed by each President in turn, I am also grateful. My thanks and yours are also due to the Secretary, Assistant Secretary, and the other members of the staff. I have now much pleasure in proposing that the Report of the Chamber for the year ended 31st December 1944, be hereby adopted and confirmed.

*VICE-PRESIDENT'S SPEECH.

MR. W. L. A. RADCLIFFE, the Vice-President, said :—

Your Excellency, Mr. President and Gentlemen.—It is my privilege to-day to second the resolution that the Report and Accounts for the year be adopted.

My recollection of the Vice-President's speech in former years is that he has made a lengthy review of the various items that have occurred during the previous 12 months, but with your permission I intend to depart from this practice to a very large extent and only touch on one or two items of major importance. The reason for this is that a very great deal of our work has been in connection with war-time difficulties, which we trust will soon die a natural death, and I feel that if I were to tell you the story of what the Chamber has done over, let us say, obtaining a reduction in stamp duties on bonds for clearance of restricted goods or the immense ramifications over shipments by country craft only a very few of you would be interested. If you are interested it would take too long to tell and you would find it easier to read up these matters in Chamber excerpts. There are, however, one or two outstanding features which I must mention, the first one being the Explosion in April 1944. This has already figured in the President's speech and he has referred to the possibility that those who do not know the full facts may be misled by the findings of the Inquiry Commission and may come to the erroneous conclusion that practically every one failed in their duty. We who were in Bombay at the time know that this is a most untrue picture and I am sure I am expressing the views of you all when I reiterate and endorse the praise that has been expressed for the courage of the people of Bombay of all classes and creeds, both officials and non-officials, who dealt with the situation in a manner that cannot be spoken of too highly and express again my very deep sympathy with those who lost their relatives and friends. In expressing praise for those concerned I do not speak only about those who dealt with the actual fire and explosion but when one looks back on the chaos of the Dock area after that disastrous week-end there cannot be a man who will not agree that the Port Trust, the Army and everyone concerned deserve the highest credit for having cleared the debris and getting the Port working in 6½ months. You will remember

that it is no exaggeration to say that there were large parts of ships on Frere Road and that most of the godown space in Bombay was a blazing inferno, yet in spite of all this the job was done and I repeat that the highest credit is due to those concerned. Some people may not realise the Herculean task that has been accomplished. From the immediate area of Victoria Dock, where the explosions which were recorded on the seismograph more than 1,000 miles away took place, more than a million tons of rubble had to be removed. To carry out this task hundreds of soldiers and labourers worked in blazing heat and often up to their necks in filth and slime, and it is authoritatively stated that the rebuilding of the quay wall was a piece of work which for economy of time and labour and utilisation of materials on the site was a world record. Six miles of new railway track now gives access to the Docks ; more than 20 acres of devastated land has been newly paved ; over 1,000,000 sq. feet of shedding has been built or reconstructed ; cranes have been put in order ; new fire-fighting appliances have been installed and oil pipe lines have been laid. It is almost incredible that this has been done within the space of one year, but there is yet a lot to be done. I am glad that recognition has been given to some cases of outstanding bravery, but there must be many whose acts of devotion to duty and courage have been overlooked. The magnitude of loss of life cannot but overshadow the loss of property and goods, but this aspect must not be forgotten, and we cannot but sympathise with those involved. As regards claims for loss of property and goods, there are no doubt cases of hardship, but I feel myself that here again, considering the magnitude of these claims, things have been dealt with as expeditiously as possible and that thanks are due to Government and to the Special Claims Insurance Committees who have done sterling work.

The next point I wish to mention is the matter of the President of this Chamber. In August last year we were all shocked to hear of the very sudden and dangerous illness that overtook Mr. Hutson at literally a moment's notice. It is unnecessary for me to speak about Mr. Hutson's outstanding capabilities as they are known to you all, and I am only thankful that he is now on the road to recovery and we can hope to see him back in this country fit and well before very long. The point is that knowing Mr. Hutson as you do you will realise what a loss he was to this Chamber, and you can imagine what a quandary we were in to find a suitable successor. I cannot tell you how lucky we were to find Mr. Bramble willing to step into the breach and I wish here and now to tender him my personal thanks, the thanks of the Committee and I am sure also the thanks of you all for having helped us out of a very critical position. I would go further and say that we are more than lucky in finding him ready to carry on in the coming year. I say this advisedly as I feel that whatever

our difficulties may have been in the past they will be magnified in the future, and I certainly do not envy the President the amount of work he will have to do. If I were asked to paint a picture of business during the past few years I would say that these years have been one continual struggle against shortage of materials, a period of rising prices and rising wages and rising taxes, a struggle with Controllers who do not know what they are controlling or how to control it, and lastly an unending battle against a feature, which unfortunately is coming more and more to the fore, the black market. This black market is a crying scandal and I am sure I voice the feeling of you all when I say that we want the severest penalties and sentences passed against those who indulge in this lowest form of money-making.

These matters which I have mentioned have been common to us all during the war, but what of the future? No one can prophesy what will happen but my own feeling is that controls will have to carry on to a large extent. Materials and goods will, I hope, become more readily available and will tend to eliminate the disgrace of the black market. Whatever may come to pass it is the duty of all of us to see that the harmonious undertones of peace do not turn into a glaring discord, and it is for this Chamber to give the lead to our business community. I, therefore, say that difficult times are ahead and I am only too glad to know that we have a President of the calibre of Mr. Bramble to help us.

I do not wish you to think that I prophesy a black future, nothing is further from my intentions, and I have on many occasions been accused of over-optimism. I do feel, however, that only by strenuous work and co-operation can we hope to succeed, and it is our duty to see that India and Indian trade progress and thereby help to raise the standard of living throughout the country. We are no doubt, each of us in our own way, planning the future and are getting ready for the turnover from war contracts to peace-time business and it is our duty to be ready for the change. If we are not ready to move with the times it will be our own fault and we must expect to be ousted from our trades. The problems of the future are obviously so many and diverse that it is not possible to come to any decisions or finalise plans at this juncture, and I would suggest that our best plan is to follow the motto of the Boy Scouts and " Be Prepared."

Gentlemen, before I have finished, there is one point of special importance on which I should touch. I refer to the shortage of accommodation in the city. I am sure that this Chamber would not wish to be taken as subscribing to the hysterical type of criticism which has occupied so much space recently in the less responsible organs of the Press. At the same time, this is a very

serious problem and one in which the Chamber has a vital interest. We cannot ignore it, and I am sure that His Excellency will welcome our opinion on it. That opinion can be briefly put. We fully appreciate the necessity of finding suitable accommodation in the city for essential personnel of the fighting services and of Government, but we do not want it to be overlooked that among the business community in Bombay there are many firms and many men who are playing a no less indispensable part in the country's war effort, and that this consideration should be borne in mind by the authorities responsible before any decision to requisition office or residential accommodation is taken. Your Excellency, much of the apprehension which we feel about requisitioning in the city can be allayed if we can look to you as head of the Government to ensure that, although Government and the Services must themselves judge their own accommodation needs, yet there shall be no arbitrariness or capriciousness in decisions to requisition ; that the utmost possible use will be made of the resources which Government and the Army already possess ; that fresh demands upon accommodation in the city, from whatever quarter, are properly co-ordinated ; and that full consideration is paid to the part which the occupants of any premises play in the country's war effort before any decision is taken to eject them. We are aware of the increasing strain which must be put upon the city as, with the defeat of Germany, the war's centre of gravity moves eastwards, but we feel that we can look with confidence to Your Excellency to ensure that the burden will be equally and fairly distributed, and that when accommodation problems can be solved by new building there will be no hesitation in adopting this course.

I now beg to second the proposition moved by the President that the Report of the Chamber for the year ended 31st December 1944, be hereby adopted and confirmed.

The Report was adopted unanimously.

HIS EXCELLENCY THE GOVERNOR said :—Mr. President and Gentlemen,—I thank you for your welcome to me this morning. This year makes my third visit to the Chamber, and I greatly value the opportunity which this Annual General Meeting gives me of making contacts with important business interests in Bombay.

The year which has passed since we last met has been a momentous one abroad. This time last year we were held up in Southern Italy ; the fall of Rome seemed far off ; and the landing of Allied armies in France a hazardous prospect of trial to be undergone. As the year unfolded, dramatic success attended British and American arms and those of our ally Russia and

to-day we can look back with pride to the successful accomplishment of the greatest military operations in history—the whole of Western Europe up to the Rhine swept clear of the enemy, and a foothold secured beyond that last great barrier before the British and American armies; and the Russians, after their great forward sweep of the winter on the banks of the Oder, Germany's last great river barrier in the east, with a very substantial foothold across it. The stage is thus set for what we hope will be the last great battles of the war against Germany; they will be grim and perhaps protracted, but I believe decisive. Against the enemy in the east the year has seen signal successes also. In Burma the Fourteenth Army has rolled the Japanese back many long miles since Kohima and the threat to India, while Mandalay with half the country has now been reconquered. In the Pacific the Japanese have been pressed further and further back into a smaller circle of power, and the American Fleet has emulated Drake's feat in singeing the King of Spain's beard at Cadiz, by assaults on the imperial city of Tokio itself, which the Japanese Navy either has not been able, or has not dared, to oppose.

Nor has the year been uneventful on the home front. It will, as the President has said, long be remembered for the disaster which overtook the city on the 14th of April, in the explosions at the docks. Yet I, and I am sure many others, will remember this disaster not only because of the terrible price paid for it in human life or because of the tremendous material damage done, but also because of the way in which the people of Bombay rallied to meet the shock. I saw a great deal of the immediate aftermath of the explosions, and the relief work which was done, and I was impressed beyond measure with the spirit shown by every class of people, both high and low, in the city, and felt pride in the magnificent reaction which the disaster called forth. There was gallantry of a high degree that afternoon and night, which we have all been glad to see recognised, and I was particularly glad of that part of the President's speech in which he referred to this matter. In the months which have passed since, we have seen also a magnificent job of work done, particularly by the Sappers and Miners, in clearing and rebuilding the docks and damaged areas, and the way in which order has been restored after so much devastation and the normal life of the port set going again commands the highest admiration for the skill of the officers and men responsible for this stupendous job.

In other directions the year in the Presidency has been one of quiet and steady development. It is true that, politically speaking, we stand where we were. We still have a Section 93 Government, and I have not yet been able to hand over control to a representative Ministry.

I am not going to enter the field of controversy by expressing any views on whose responsibility it is that this condition should continue, but I know that my Advisers will not misunderstand me, in fact they will be the first to agree with me, when I say that I shall welcome the day when constitutional and representative Government is restored, as a sign of progress and goodwill. I can say, however, with confidence that were the Section 93 regime in Bombay to be replaced to-morrow, whatever Ministry took office would find that the Bombay Government, under official Advisers, had been markedly progressive, and had not taken any narrow view of its functions.

You have referred, Mr. President, to the success of our food policy, and I pay a tribute to the great help given by our Food Advisory Council of non-officials. We can show good results elsewhere too. Although it is outside the immediate interests of this Chamber, perhaps the most encouraging development for the future of the Province has been the great promise which the very large-scale land development work to which we are committed in some scarcity areas of the Province shows. We have also made rapid progress with our plans for post-war development, and in this sphere, too, I think we have been able to show the way to others. And I emphasise that, were my good friends and Advisers to be replaced to-morrow by an elected Ministry, whatever Ministry it was would find that the Section 93 interlude was by no means a period barren of achievement.

A well-founded convention dictates that at this meeting I should follow up some of the points which the President and Vice-President have thought of sufficient importance to the Chamber to include in their speeches. Not all the points with which they have dealt of course lie within the sphere of the Government of Bombay, but that does not prevent me as Governor from holding a watching brief in Bombay's interests in those matters which fall to the Government of India, and where I cannot speak with the ultimate voice of authority I can be helpful and ensure that in any matter Bombay's case does not go unheard.

There is one matter on which I can speak with full authority this morning. I am particularly glad that the Vice-President has raised the question of requisitioning in the city, and in view of the spate of irresponsible comment, and even misrepresentation, to which one or two recent cases of requisitioning have given rise, I should like to take this opportunity of putting this matter in proper perspective. One of these cases, which is still under consideration, and which amounted to the requisitioning of 24 flats near the sea front, has been magnified in certain quarters to represent a reign of terror and panic. Well, gentlemen, as we know, London did not panic though five hundred thousand homes

were completely destroyed by enemy action, nor did this city show panic in the trial of the docks explosions last year, when thousands of working class homes were destroyed. As you know, gentlemen, Bombay, though it has suffered inconvenience, has been called upon to bear a much less heavy share of the rigours of war than many cities of the Empire. After making every allowance for the unparalleled disaster of the docks explosion and the rise in prices, which has brought hardship to many poor people, we must in fairness acknowledge that not only has Bombay been protected from enemy attack by sea and air, but also that throughout five and half years of war the dislocation of ordinary life which we have undergone has been relatively small. This is not because Bombay is less of a prize to the enemy than other great cities such as Rangoon, but directly because of the might and valour of our armed forces, and I think it would be discreditable, and I am sure that the Chamber will agree with me, if Bombay did not show itself more ready than recent agitation has indicated to meet its share of the burden in bringing Allied might to bear on the Japanese after the Germans have been defeated. Some requisitioning for this purpose is therefore inevitable. Having said this, I want to give you a firm assurance. Every case in which requisitioning becomes necessary has the personal attention of myself or my Advisers, and I will see to it that, so far as is humanly possible, hardship is avoided, vital civilian interests are protected, and demands on the city's accommodation properly co-ordinated. There are some who speak as if the course of war is so smooth and predictable that it should have been possible to measure all requirements so accurately in advance that nobody should now be inconvenienced. The history of this war has shown that it is not so simple as that. Others again suggest that new building should have been able to meet all requirements. The best answer to that is the enormous building programme which the Army has carried out in this Province in the last two or three years. During this time many square miles have been covered with military buildings, and provision made for many thousands of men, and if this has not been so evident in Bombay itself, but in the country, it is because for one reason Government have not been prepared to see the city's all too few open spaces built upon, except where absolutely necessary. There has been so much new building, in fact, that contractors have had continual difficulty in recruiting labour to meet their commitments. Witness also the use that has been made of every available square foot in the exiguous grounds of the Bombay Secretariat. Where building is not possible, every effort is made to secure that the building required is obtained with the least dislocation possible of the affairs of the occupants, and adequate compensation given. No person has yet been deprived of his house or flat who has not had something else to go to, and though

no guarantee can be given that alternative accommodation for those dispossessed will always be found in future, I repeat the assurance which I have given that every case will have my personal attention, and that no essential civilian interest will be disregarded.

In the case of the Key-leave Scheme, about which the President has been so critical, I think it can be shown that the official world is not entirely void of grace. This was in origin a scheme for officials only, designed to ensure that the country should not embark upon the vital post-war period under the handicap of a very tired Civil Service, and it says something for the bureaucrats that despite the difficulties of securing an official leave turnover of Government personnel in any practicable period, non-officials were allowed to come in on equal terms. It must be remembered that the Key-leave Scheme is the only means by which officials can get leave home, apart from the newly introduced allotment of air passages. Officials going on leave are not allowed to use commercial passages, and thus non-officials have commercial passages to themselves free from official competition. It is not to be thought that the Government of Bombay and the Government of India have not been doing their utmost to secure the removal of unsuitable features of the Key-leave Scheme, and indeed the scheme has been gradually liberalised from the beginning. You may put this down to the onslaughts in verse of A.C.G. in the *Times of India* or to painstaking official effort, as you like, but whether as a result of non-official witticism or official criticism, I understand the scheme is to be amended with effect from the 1st of April, so that the key leave quota for Bombay will be 2 officials and 9 non-officials a month instead of 2 officials and 2 non-officials. I understand further that there is to be no restriction on the numbers of a family accompanying a key-leave passenger, except those dictated by shipping conditions, the chief of which is the Admiralty regulation that the number of women and children on a ship must not exceed 50 per cent. of the total passengers.

SIR THOMAS SINCLAIR KENNEDY in proposing a vote of thanks to the outgoing Committee said :— Your Excellency and Gentlemen, I rise to propose a vote of thanks to the President, Vice-President, and Members of the Retiring Committee. I feel I have a complaint to make in that others have stolen my thunder. The Chamber has always been exceedingly fortunate in its Committee. It is composed of men of substance ; men who are experienced in their own profession or business ; men who are prepared to spend hours every week deliberating for the benefit of the side. Incidentally I hope, Mr. President, that during your term of office, the paper restrictions will be eased so that we may receive an extra copy of the Excerpts of Proceedings of the

Committee month by month. This is a very useful publication which is much appreciated by our home Directors and, in my own opinion, is exceedingly well edited. I should describe the Committee of the Chamber of Commerce as a team and a thundering good team at that.

Had things been normal I should have left it at that, but things have not been normal—for instance, we had the serious illness of our President, Mr. A. L. Hutson, and we are all very glad indeed to learn, as I heard only this morning, that he is making good progress at home. We all wish him a speedy return to health and full vigour.

Mr. Bramble can always be counted on to bob up when the need is greatest. A man of integrity—a man of outstanding ability and education—a whale for work and, as I said recently in connection with another meeting, a man who never hedges a question. Some of us may think wistfully we should like to see this virtue with some departments with which we have to carry out official negotiations.

In closing I should also like to convey our thanks to the Members of the various Sub-Committees. Sub-Committees have always been a tradition with the Chamber and have played a most useful part. I personally, was glad that under the regime of Mr. Halsall, an Engineering Sub-Committee was appointed under a very energetic convenor, and this has done very useful work and has also answered the criticisms that possibly the interests of Engineering members of the Chamber had not been fully represented on the Committee.

There is another matter to which reference has been made by Mr. Radcliffe and which His Excellency has dealt with in his speech, and that is the question of accommodation. This much I can say with confidence that every manjack of us here to-day is 100 per cent. behind the war effort. We thank His Excellency for this personal assurance, and it is indeed good to know that accommodation will be found for those whose services are vital to the war effort. Your Excellency and gentlemen, I now beg formally to move that a Vote of Thanks be tendered to the President, Vice-President, and Members of the outgoing Committee for their able conduct of the affairs of the Chamber during the past year.

The proposition was seconded by MR. H. C. MACCOLL and carried with acclamation.

Under the provisions of Article 41 of the Chamber's Articles of Association the following eight gentlemen were nominated by

the retiring Committee in conjunction with the incoming President and Vice-President for election as ordinary members of the Committee for the year 1945-46.

MR. C. R. AGAR.
MR. R. W. BULLOCK.
MR. C. J. DAMALA.
MR. A. D. FINNEY.
MR. D. R. C. HARTLEY, C.B.E., D.S.O., E.D.
MR. W. KERR.
MR. H. C. DEMIERRE.
MR. W. G. J. SHAW.

The names having been circulated to members with the notice convening the meeting they are deemed to have been duly proposed for election in accordance with Article 41. The President therefore submitted each name to the vote of the meeting and each was duly elected a member of the Committee of the Chamber for 1945-46.

MR. L. F. H. GOODWIN proposed, MR. E. J. C. HERRING seconded and it was unanimously agreed—

"That MESSRS. SHARP AND TANNAN be and are hereby elected Auditors of the Chamber's accounts for the year 1945 at a remuneration of Rupees two hundred and fifty."

In proposing a vote of thanks to His Excellency the Governor, MR. H. CHAMBERLAIN said:—Mr. President and Gentlemen,—To-day it is my privilege to propose, on behalf of our Chamber, a hearty vote of thanks to His Excellency our Governor for attending our meeting.

We are delighted, Sir—and remembering what Your Excellency's told us on another occasion, I must choose my words carefully and not commit the error of another spokesman who, in welcoming Your Excellency, stated his people had been looking and longing for a saviour and now Your Excellency had come among them and they had seen you, they were filled with merriment—of course he meant joy—we are delighted Sir, to have you with us again and much appreciate the interest you have shown and still show in our activities, also the help you give us.

As you have said Sir, this is the third year in which Your Excellency has attended our meetings, all of which have been held during war-time with all its trials and troubles and during

that period you have enabled some of our members, those who cannot claim Scottish descent, to appreciate the words of King George IV who, at least according to Sir Walter Scott, said:

"The Scotch are a nation of gentlemen."

With you, we are hopeful you will be with us next year and able to attend our meeting; that such meeting will be held with war finished and peace here in Bombay City and throughout the world; that our Committee will be able to revert to the traditions of our Chamber, dig out the old morning-coats, polish the old toppers and meet you as our Governor should be met. And, Your Excellency, knowing your keen and great enthusiasm for and pride in your race may I suggest perhaps you will not only outvie and outshine them all by appearing here in your national dress, but that it will then not be only the grounds of Government House which will re-echo to the strains of Scottish music and we may yet see our Committee piped into the Annual Meeting by a Governor of Bombay.

Gentlemen, I now formally propose a hearty vote of thanks to His Excellency our Governor for attending this meeting and for his most excellent speech; this will be carried in the manner customary in this Chamber.

The proposition was carried with acclamation and the proceedings terminated.

Bombay Chamber of Commerce

ANNUAL REPORT FOR 1944

ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1945-46.

In accordance with the prescribed regulations, MR. C. P. BRAMBLE and MR. A. W. PERCY were elected President and Vice-President, respectively, of the Chamber for the year 1945-46.

CHANGES IN THE COMMITTEE DURING 1944.

Under Article 43 of the Chamber's revised Articles of Association the Committee after the annual general meeting have to nominate two duly qualified persons to be ordinary members of the Committee. In accordance with the provisions of this Article the Committee nominated MR. W. KERR and MR. C. R. AGAR.

In June 1944 MR. G. H. RICHMOND resigned his seat on the Committee on leaving India and MR. A. W. PERCY was nominated to serve in his stead.

In September 1944 MR. A. L. HUTSON tendered his resignation as President of the Chamber owing to illness and in accordance with the prescribed regulations MR. C. P. BRAMBLE was elected as President until the next annual general meeting.

BOMBAY PORT TRUST.

CHAMBER'S REPRESENTATIVE.

In March 1944 MR. G. S. TAUNTON, one of the representatives of the Chamber on the Board of Trustees of the Port of Bombay, resigned his seat on leaving India and MR. L. P. S. BOURNE was elected to serve in his stead.

COUNCIL OF STATE.

CHAMBER'S REPRESENTATIVE.

(*See Report* 1936, *page* 1.)

As the HON'BLE MR. R. H. PARKER, the Chamber's representative in the Council of State, accepted office in the service of the Crown in India, his seat became vacant in accordance

with the provisions of sub-section (1) of Section 63E of the Government of India Act, 1935, and the Governor General called upon the Chamber to elect a substitute.

In accordance with the prescribed regulations MR. J. M. B. GIBBONS was elected in October 1944 to fill the vacant seat.

SYDENHAM COLLEGE ADVISORY BOARD.

CHAMBER'S REPRESENTATIVE.

AS SIR ALEXANDER GRAY, the Chamber's representative on the Advisory Board of the Sydenham College of Commerce and Economics for the current triennium, had retired and left for England, the Chamber was requested in January 1944 to nominate a representative to serve in his stead.

The Committee nominated MR. R. W. BULLOCK.

G.I.P. RAILWAY LOCAL ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

The tenure of office of the existing members of the G.I.P. Railway Local Advisory Committee, Bombay, expired on the 31st May 1944 and MR. C. W. WARRINGTON was re-nominated to serve as the Chamber's representative on the new Committee for a period of two years with effect from 1st June 1944.

AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In March 1944 the Government of Bombay informed the Chamber that the term of office of the existing Advisory Committee for the Bombay District under the Auxiliary Force Act, 1920, would expire on the 31st March 1944 and requested the Chamber to nominate its representative to serve on the Committee for the year 1944-45.

The Committee re-nominated MR. L. A. HALSALL.

INDIAN CENTRAL COTTON COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In February 1944, the Indian Central Cotton Committee informed the Chamber that the term of office of its representative would expire on the 31st March 1944 and requested the Chamber to nominate a member to fill the vacancy. The Committee re-nominated MR. L. F. H. GOODWIN.

MR. GOODWIN resigned his seat in May 1944 on proceeding out of India on leave and MR. C. P. BRAMBLE was nominated to

serve in his stead. On MR. GOODWIN'S return to Bombay in December 1944, MR. BRAMBLE resigned his seat and MR. GOODWIN was renominated.

TRADE MARKS ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

(See Reports 1942, *page* 4 *and* 1943, *page* 4.)

The term of office of MR. A. SOTIRIADI as the Chamber's representative on the Trade Marks Advisory Committee expired on the 8th August 1944 and the Committee re-nominated him to serve for a further period of two years from that date.

GOVERNING BODY OF I.M.M.T.S. "DUFFERIN."

CHAMBER'S REPRESENTATIVE.

(See Report 1942, *page* 2.)

In March 1944 MR. G. S. TAUNTON, the Chamber's representative on the Governing Body of I.M.M.T.S. "Dufferin" resigned his seat and the Committee nominated MR. L. P. S. BOURNE to serve in his stead.

ROYAL BOMBAY SEAMEN'S SOCIETY.

CHAMBER'S REPRESENTATIVE.

In March 1944 the Chamber was asked to nominate a representative to serve as a member of the Royal Bombay Seamen's Society under the provisions of Rule 1(e) of the Rules and Regulations of the Society. The Committee re-nominated MR. C. H. COURTHOPE-MUNROE.

FIXATION OF PRICES OF IMPORTED COTTON GOODS.

CHAMBER'S REPRESENTATIVE ON ADVISORY COMMITTEE.

In May 1944 the Textile Commissioner informed the Chamber that he proposed to form a Committee for the purpose of assisting him in fixing the wholesale and retail prices of cotton goods entering India. As from 1st July all imported cotton goods must be stamped with the wholesale and retail prices in the same manner as the ex-mill and retail prices are stamped on indigenous cotton goods, the latter being 20 per cent. over the former. It was proposed that the Committee should consist of one representative each of :—

(1) The Bombay Chamber of Commerce.

(2) The Bombay Presidency Trades Association.

(3) The Indian Merchants' Chamber, Bombay.

(4) The Federation of All-India Piecegoods and Yarn Merchants' Association, Bombay.

The Officer-in-charge of local administration of the Cotton Cloth and Yarn (Control) Order, or other officer nominated by the Provincial Government would be the Chairman.

The Textile Commissioner mentioned that the bare landed cost of the imported material was to be taken as the basis on which to work up the wholesale and retail prices which would respectively be 10 per cent. over the bare landed cost and 20 per cent. over the wholesale price. These prices which would be fixed by the Local Government in consultation with the Committee were to be stamped by the importer with the assistance of and under the supervision of the Local Government at the port of entry. The goods would also be stamped with the Textile Control Board stamp and month of entry.

MR. A. SOTIRIADI was nominated to serve as the Chamber's representative on the proposed Committee.

INDIAN COCONUT COMMITTEE.

CHAMBER'S REPRESENTATIVE.

Under Act X of 1944, Indian Coconut Committee Act, provision was made for the creation of a fund for the improvement and development of the cultivation, marketing and utilization of coconuts in India. Section 4 of the Act authorised the Central Government to constitute a Committee consisting of the following members, to receive and expend the proceeds of the duty collected under the Act, namely :—

(*a*) the Vice-Chairman, Imperial Council of Agricultural Research ;

(*b*) nine persons representing the growers of coconut in India, of whom two shall be nominated by the Government of Madras, two by the Government of the State of Travancore, and one each by the Government of Bombay, the Government of Bengal, the Government of Orissa, the Government of the State of Mysore, and the Government of the State of Cochin ;

(*c*) five persons representing the coconut oil industry, nominated respectively, by the Government of Madras, the Government of the State of Travancore, the Government of the State of Cochin, the Indian Merchants' Chamber, Bombay, and the Bombay Chamber of Commerce, Bombay ;

(*d*) three persons representing, respectively, the Provincial Government of Madras, the Government of the State of Mysore and the Government of the State of Travancore, appointed in each case by the Government concerned ;

(*e*) one person nominated by the Travancore Chamber of Commerce ;

(*f*) one person appointed by the Central Government ;

(*g*) six other persons, of whom two shall be persons elected from among themselves by the elected members of the Legislative Assembly of the Central Legislature, one shall be a person elected from among themselves by the elected members of the Council of State, and three shall be persons nominated respectively by the Governments of the States of Travancore, Mysore and Cochin.

In May 1944 the Government of Bombay requested the Chamber to nominate a representative to serve on the Indian Coconut Committee and MR. F. C. LOBB of Messrs. Lever Bros. (India), Ltd., was nominated.

TOWN PLANNING COMMITTEE, BOMBAY.

CHAMBER'S NOMINEES.

In June 1944 the General Officer Commanding, Bombay District, informed the Chamber that periodical "Town Planning Committees" were held at his headquarters to deal with accommodation problems in Bombay arising out of the requirements of the various services and Allies. In the past the Collector of Bombay and the Controller of Supplies were the only civil element on the Committee and the General enquired whether in the opinion of the Chamber any useful purpose would be served by establishing a quartering Sub-Committee of the Town Planning Committee on which commercial interests could be co-opted, and, if so, who should be approached in order to obtain commercial representation.

The Committee replied that in their view the proposal should be of definite value and if the Sub-Committee was to be effective it should be limited in numbers. The Committee suggested that nominees should be invited from the Bombay Chamber of Commerce and the Indian Merchants' Chamber. The question of representation on the Town Planning Committee was also discussed at an interview that the President had with the General on the 19th June 1944 and in response to a request for names the Committee informed the General that MR. C. P. BRAMBLE had been nominated to represent the European Association and MR. L. A. HALSALL to represent the Chamber on the Local Services Accommodation Committee.

PAPER CONTROL (DISTRIBUTION) ORDER, 1944.

CHAMBER'S REPRESENTATIVE ON ADVISORY PANEL.

In October 1944, in response to a request from the Provincial Paper Controller, Bombay, the Committee nominated MR. W. S. WILDGOOSE to serve as the Chamber's representative on an advisory panel to assist and advise him in the work of distributing whatever paper may be made available to the Western India zone for non-Government use.

SUB-COMMITTEES.

The undermentioned gentlemen were nominated to serve on the following Standing Sub-Committees of the Chamber for the year 1944-45 :—

Import.	*Export.*
C. D. Priestley, Esq. (*Chairman*).	L. F. H. Goodwin, Esq. (*Chairman*).
W. J. Burrows, Esq.	J. L. Hurschler, Esq.
R. A. M. Henson, Esq.	A. Moch, Esq.
R. A. F. Kidson, Esq.	M. Paspatti, Esq.
T. Kemp, Esq.	R. G. Saraiya, Esq.
C. W. H. P. Waud, Esq.	

Shipping.

L. P. S. Bourne, Esq. (*Chairman*).
D. Stewart Brown, Esq.
C. O. Fountain, Esq.
C. F. Morris, Esq.
D. A. H. Windle, Esq.

Docks and Railways.

G. E. Berkley, Esq. (*Chairman*).
W. T. Aldous, Esq.
G.H. Brown, Esq.
J. G. Milne, Esq.
C. W. Warrington, Esq.

Labour.

A. W. Percy, Esq. (*Chairman*).
D. D. Carcary, Esq.
H. F. Milne, Esq.
C. S. Pettit, Esq.
A. D. Finney, Esq.
E. W. A. Richardson, Esq.

Finance.

Maneklal Premchand, Esq. (*Chairman*).
A. C. Clarke, Esq.
N. G. Irvine, Esq.
R. E. Lewis, Esq.

Engineering (Imports).

E. J. C. Herring, Esq. (*Chairman*).
A. J. Emery, Esq.
A. Forrington, Esq.
C. J. Bollins, Esq.

Income-tax.

B. J. Whitby, Esq. (*Chairman*).
G. A. H. Alexander, Esq.
A. E. Blair, Esq.
G. C. Pocock, Esq.
C. R. Sharp, Esq.

Weather Working Days.

W. L. A. Radcliffe, Esq.
R. W. Bullock, Esq.
A. D. Finney, Esq.

Staff.

A. L. Hutson, Esq.
W. L. A. Radcliffe, Esq.
R. W. Bullock, Esq.

In July 1944 MR. G. E. BERKLEY resigned his seat on the Docks and Railways Sub-Committee, and MR. S. M. BASRUR was nominated to serve in his stead. MR. BASRUR resigned in December 1944 and MR. J. B. BARCLAY was nominated to serve in his stead.

In September 1944 MR. A. J. EMERY resigned his seat on the Engineering (Imports) Sub-Committee and MR. E. LEWIS was nominated to serve on the Sub-Committee.

MR. C. P. BRAMBLE took MR. A. L. HUTSON'S place on the Staff Sub-Committee when the latter resigned the Presidentship of the Chamber.

MEMBERSHIP.

The total membership of the Chamber on the 2nd January 1945 was 210 against 198 at the beginning of 1944.

The following are the names of members elected.

MESSRS. CARR & CO., LTD., Proposed by Messrs. A. F. Ferguson & Co. and seconded by The Mercantile Bank of India Ltd.

MESSRS. ALLIED PUBLISHERS AND STATIONERY MANUFACTURERS LTD. Proposed by Messrs. Longmans Green & Co., Ltd., and seconded by The Chartered Bank of India, Australia and China.

MESSRS. CARD CLOTHING AND BELTING LTD. Proposed by Messrs. Lloyds Bank Limited and seconded by Messrs. A. F. Ferguson & Co.

MESSRS. BREUL & Co. Proposed by The Imperial Bank of India and seconded by Messrs. Gill & Co.

THE TRITON INSURANCE Co., LTD. Proposed by The Atlas Assurance Co., Ltd., and seconded by Lloyds Bank Limited.

MESSRS. LARSEN AND TOUBRO. Proposed by The Western India Match Co., Ltd., and seconded by The Chartered Bank of India, Australia and China.

MESSRS. ASEA ELECTRIC LTD. Proposed by Messrs. E. D. Sassoon & Co., Ltd., and seconded by The Western India Match Co., Ltd.

MESSRS. AHMED S. MOLOOBHOY AND SONS. Proposed by The Anchor Line Ltd., and seconded by The National Bank of India Ltd.

MESSRS. GETZ BROTHERS & Co. Proposed by Messrs. Killick Nixon & Co., and seconded by Messrs. Forbes Forbes Campbell & Co., Ltd.

THE ASSOCIATED ELECTRICAL INDUSTRIES (INDIA) LTD. Proposed by Messrs. Killick Nixon & Co., and seconded by Messrs. Callenders Cable and Construction Co., Ltd.

MESSRS. MICHELIN TYRE INDIA LIMITED. Proposed by the Chartered Bank of India, Australia and China, and seconded by Messrs. Louis Dreyfus & Co., Ltd.

THE EASTERN CHEMICAL Co. (INDIA). Proposed by Messrs. Imperial Chemical Industries (India) Ltd., and seconded by Messrs. Ciba (India) Ltd.

MESSRS. NARANDAS RAJARAM & Co., LTD. Proposed by the Imperial Bank of India, and seconded by Messrs. Premchand Roychand and Sons, Ltd.

The following resigned their membership of the Chamber :—

MESSRS. NARANDAS RAJARAM & Co.

HONORARY MEMBERSHIP OF THE CHAMBER.

Under the powers conferred by Article 25 of the Chamber's Articles of Association, the Committee in February 1944 invited MR. W. D. M. CLARKE, His Majesty's Trade Commissioner at Bombay, MR. H. R. GOLLAN, the Australian Government Trade Commissioner in India, MR. PAUL SYKES, the Canadian Government Trade Commissioner and MR. I. E. GRANT SMITH, the South

African Government Trade Commissioner for the East, to accept honorary membership.

THE CHAMBER'S OFFICES.

(*See Reports*, 1933, *page* 12; 1934, *page* 1; 1939, *page* 8.)

The Chamber has entered into a fresh lease of the premises occupied on the third floor of the building of Messrs. Mackinnon Mackenzie & Co., Ballard Estate, for a period of five years from 1st March 1944 with the option of renewal for a further period of five years.

DEARNESS ALLOWANCE TO CHAMBER'S STAFF.

(*See Reports*, 1941, *page* 158; 1942, *page* 6; 1943, *page* 8.)

The Committee decided, with effect from 1st August 1944, to increase the dearness allowance to the Chamber's staff as under :—

Clerical Staff earning up to Rs. 350 per month from Rs. 20 to Rs. 25 per month.

Menial Staff from Rs. 13 to Rs. 15 per month.

VISIT TO THE CHAMBER OF MR. S. K. KIRPALANI.

The Indian Trade Commissioner-designate to New York, MR. S. K. KIRPALANI, visited the Chamber on the 14th January 1944 and had a general discussion with the Committee regarding present and post-war problems of trade with America.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

ANNUAL MEETING, 1944.

The annual meeting of the Associated Chambers of Commerce of India was held at the Royal Exchange, Calcutta, on Thursday, 14th December 1944. The meeting was opened by HIS EXCELLENCY FIELD-MARSHAL THE RIGHT HONOURABLE THE VISCOUNT WAVELL, P.C., G.C.B., G.M.S.I., G.M.I.E., C.M.G., M.C., Viceroy and Governor-General of India. The Bombay Chamber was represented by the President, MR. C. P. BRAMBLE.

The following is a list of subjects in connection with which resolutions were adopted by the meeting :

1. War Risks Insurance.
2. Injury or damage caused by Army Drivers when on duty.
3. Post-war Trade Policy.
4. Controls in relation to Post-war Trade.
5. Income-tax Appellate Tribunal.
6. Income-tax : Allowance of professional taxes and royalties.
7. India's Food Policy.

Of the above resolutions No. 2 was moved by the Bombay Chamber.

THE ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

DEPUTY PRESIDENT.

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta on the 14th December 1944, the following resolution was adopted unanimously :

"That the Bombay and Punjab Chambers of Commerce be and are hereby elected under the provisions of Article 15 of the Articles of Association to nominate each a Deputy President for the year 1944-45."

The Committee nominated the President of this Chamber, MR. C. P. BRAMBLE, as one of the Deputy Presidents.

CENTRAL ADVISORY COMMITTEE FOR LIGHTHOUSES.

ASSOCIATED CHAMBERS' REPRESENTATIVE.

(*See Report* 1943, *page* 14.)

In March 1944, MR. G. S. TAUNTON, one of the representatives of the Associated Chambers of Commerce of India on the Central Advisory Committee for Lighthouses, resigned his seat on leaving India and MR. L. P. S. BOURNE was nominated by the Committee to serve in his stead.

EXPORT ADVISORY COUNCIL.

ASSOCIATED CHAMBERS' REPRESENTATIVES.

(*See Report* 1940, *page* 190.)

In April 1944 the Chamber was informed by the Associated Chambers of Commerce of India that it was proposed to reconstitute the Export Advisory Council on which the Association had two nominees, SIR HENRY RICHARDSON and MR. J. M. B. GIBBONS, and enquired whether the Chamber desired to submit any names for election as the two representatives on the reconstituted Council.

The Chamber renominated MR. J. M. B. GIBBONS, and were informed later that SIR HENRY RICHARDSON and MR. GIBBONS had been re-elected by the constituent Chambers and their names having been submitted to the Government of India, the latter had appointed them to the Council.

GOVERNMENT OF INDIA STANDING COMMITTEE OF FOODGRAIN PRICES.

NOMINEE OF ASSOCIATED CHAMBERS.

In January 1944 the Government of India informed the Associated Chambers of Commerce of India that they had had under consideration the recommendation in Chapter 8 of the

Foodgrains Policy Committee's Report, that a small Standing Committee should be set up to advise the Government of India on matters relating to foodgrain prices. After considering the constitution and functions of such a Committee, they had decided that it was highly desirable that expert advice on prices should be available to the Central Government through the medium of a small Committee, but that it was not necessary to entrust to such a body functions of conciliation or arbitration between Governments. They considered, therefore, that the inclusion of representatives of even a few Provincial and State Governments, which might have been appropriate had the Committee been an arbitral body, would make it unwieldy and unsuitable for its main object of providing the Central Government with expert advice on the broader questions of price policy.

Apart from representatives of the Government of India, therefore, it had been decided that the membership of the Committee would be confined to experienced non-official representatives of the grain trade and of producers. It would be open to the Government of India to refer to the Committee for advice any questions arising out of a dispute about prices between provinces, but, normally, such cases could be settled directly or by *ad hoc* arrangements.

It was proposed to constitute the Committee as follows:—

Economic Adviser to the Government of India—(*Chairman*).

One nominee of the Federation of Indian Chambers of Commerce and Industry.

One nominee of the Associated Chambers of Commerce.

One non-official trade representative nominated by the Government of India.

One representative of producers from the Punjab.

One representative of producers from Bengal.

The Government of India would be represented by nominees of the Food Department, the Finance Department and Education, Health and Lands Department.

The Secretary of the Committee would be the Trade Adviser to the Government of India, Department of Food.

The Associated Chambers were asked to nominate a member to this Committee who should preferably be one having experience of conditions and of the foodgrains trade, particularly in millets, in Southern and Central India.

The Committee supported the nomination of MR. C. T. MASON of the Northern India Chamber and were subsequently informed that his name had been forwarded to the Government of India for appointment as the representative of the Associated Chambers on the Standing Committee.

INDIAN ACCOUNTANCY BOARD.

NOMINEE OF ASSOCIATED CHAMBERS.

(*See Reports*, 1938, *page* 42; 1939, *page* 237.)

In May 1944 the Associated Chambers of Commerce of India invited the submission of nominations for the seat on the reconstituted Indian Accountancy Board to be filled by the Associated Chambers under Rule 49(1) of the Auditors' Certificates Rules, 1932. It was necessary that the person nominated should be a Registered Accountant.

The Committee supported the re-nomination of MR. W. S. C. TULLY and were subsequently informed that Mr. Tully's name had been submitted to the Government of India.

COAL CONTROL BOARD.

NOMINEE OF ASSOCIATED CHAMBERS.

In March 1944 the Government of India informed the Associated Chambers of Commerce of India that they had under consideration a scheme for the control of the distribution of coal, fixation of its price and the encouragement of output. The scheme comprised three parts :—

(*a*) Estimation of the monthly output of each colliery.
(*b*) Distribution of all output by Government at fixed prices, and
(*c*) Encouragement of production by grant of bonuses on increased output free of excess profits tax.

It was proposed that the price of coal should be fixed by Government on the advice of the Coal Commissioner and that the Coal Commissioner should consult for this purpose the Calcutta Coal Committee (Advisory) to whom would be added a financial adviser and two representatives of commercial consumers. The Calcutta Coal Committee (Advisory) consisted of the Coal Commissioner as Chairman, the Chief Mining Engineer, the Chief Inspector of Mines, and the Controller of Coal Distribution together with representatives of the Indian Mining Association, the Indian Mining Federation and the Indian Colliery Owners' Association.

The Government of India considered that if the scheme was introduced the Federation of the Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce should each be asked to nominate one representative to represent commercial interests. The Associated Chambers of Commerce was accordingly asked to select one representative who, if the scheme was introduced, would represent the Association on this Advisory Committee.

This Chamber supported the nomination of the Bengal Chamber of MR. F. C. GUTHRIE and was subsequently informed that his name had been forwarded to the Government of India.

THE WAR.

(See Reports, 1939, page 17 ; 1940, page 15 ; 1941, page 17 ; 1942, page 16 ; 1943, page 14.)

The following are some of the more important subjects affecting commerce which came under the consideration of the Committee of the Chamber during the year under review arising out of the War between the United Nations and Germany, Italy and Japan.

VISIT TO THE CHAMBER OF THE CHIEF CONTROLLER OF IMPORTS.

(See Report 1942, page 7.)

MR. RAM CHANDRA, C.I.E., M.B.E., I.C.S., Chief Controller of Imports, who was accompanied by MR. P. C. CHAUDHARI, I.C.S., Deputy Chief Controller of imports, met the Committee, the Import Sub-Committee and the Engineering (Imports) Sub-Committee of the Chamber on Wednesday, 28th June 1944, at 3 p.m.

The President in opening the proceedings thanked Mr. Ram Chandra for giving the Chamber an opportunity of discussing with him various difficulties the members had experienced in connection with the control of imports.

1. *Stamp Duty on Bonds for Clearance of Restricted Goods.*— The first subject to which the President referred was the question of the stamp duty levied on bonds for clearance of restricted goods for which licences were not immediately forthcoming. The President stated that for some time past the normal procedure in the case of restricted goods for which import licences were required had been to await the arrival of full details of the consignments before applying to the Chief Controller of Imports for a licence and owing to conditions brought about by the war this had resulted in most cases in the application being submitted after the steamer carrying the goods had arrived. It had, therefore, been impossible to present a licence immediately the goods had been landed for the purpose of clearing them through the Customs and to avoid delay in clearance importers had been required by the Chief Controller of Imports to execute a bond. Prior to 1st January 1944 this was merely a formality as the bond was stamped (presumably under item 26, Schedule I of the Indian Stamp Act) with the maximum duty of Rs. 10. From the 1st January 1944 to 18th February 1944 the maximum duty was increased to Rs. 15. On the latter date, however, the Chief Controller of Imports, on the advice of the Bombay Stamp Office, issued a notice (Public Notice No. 508), intimating that the bonds in question would in future be required to be stamped at a much higher scale under the provisions of Item 15 of Schedule I of the Indian Stamp Act. The President explained that the Chamber

was aware that the question was a matter for the Provincial Government but as it had been stated that the Chief Controller of Imports had been consulted before the stamp duty was increased he was raising the point. He added that the Chamber felt that whatever the legal position might be in respect of the stamp duty on these bonds it seemed unfair that the local Government should take advantage of a position brought about by the war and the Government of India's control scheme to raise the duty on the bonds. The alternative open to importers would be to allow the goods to lie in the Docks until a licence was received from the Chief Controller with the result that this would lead to serious congestion in the Docks hampering the quick turn-round of steamers. The President expressed a hope that Mr. Ram Chandra would use his influence in persuading the Government of Bombay to reduce the stamp duty.

Mr. Ram Chandra stated that under the Government of India Act stamp duty was a provincial subject and the Government of India could not influence the Government of Bombay although it was realised that different rates of duty might prevail at different ports. Mr. Ram Chandra pointed out that, generally speaking, a licence should be obtained before the goods arrived and if not so obtained their import was contrary to the law. He realised that in some genuine cases it was not always possible for licences to be applied for before the arrival of the goods but he was endeavouring to hasten formalities and now invoices and lists of goods shipped were being sent out by fast air mail so that importers could be communicated with before the goods arrived. In certain cases such as the oil companies arrangements had been made to allow them to get their shipments through on letters of guarantee.

In regard to the statement that he had been consulted before the stamp duty was increased, he again pointed out that this was entirely a provincial matter and no reference to the Government of India was necessary. He understood that it was on legal advice that the Government of Bombay had arrived at their decision that these bonds had been insufficiently stamped previously and his Department was merely requested to see that they bore the proper stamp in future.

In replying to a suggestion that steps might be taken to see that scheduled goods should only be shipped if an import licence had been issued at this end, Mr. Ram Chandra said that this was not possible as the Government of India could not control exports from other countries.

A suggestion was put forward that the Chief Controller might accept letters of guarantee from banks on the lines of those given on behalf of importers to shipping companies in cases of non-delivery of shipping documents. Mr. Ram Chandra stated that

he was not aware of this practice but would look into its possibilities if it was put up to him. He suggested that licences might be split up for different ports in future but in any case the local Import Trade Controller was always prepared to telegraph to other ports if required to do so by the importer in cases where part shipments were made to those ports. In summing up the President stated that in most cases in which goods arrived in Bombay without import licences being previously obtained this was due either to a breakdown in communications or to the fact that the licences were at other ports. He added that the trade did not object to the signing of bonds but they did object to the levy of the high stamp duty which in effect was a penalty. He also stated that the whole question was at the moment under discussion by the Chamber with the Government of Bombay and he hoped a solution satisfactory to the trade would be arrived at, but if the Government of Bombay would not agree to admit these bonds at a lower rate of duty then the Chamber would address the Chief Controller with a view to the introduction of some other method of dealing with the question such as, for instance, banks' letters of guarantee.

2. *Basic period for Quotas of Imported Yarn.*—The President then referred to the Chamber's suggestion that the average of the two years prior to the outbreak of the war, that is 1937-38 and 1938-39 should be taken as the basic period for quotas for the grant of licences for shipment of yarn to India from the United Kingdom instead of the period fixed, viz., 1st April 1941 to 31st March 1942. So far as Bombay was concerned figures of the imports by individual importers were available from the Chamber's returns.

Mr. Ram Chandra pointed out that Customs documents were kept only for four years, and pre-war figures for other ports were not available. He mentioned, however, that the total amount concerned would probably be about 50 tons. In view of the smallness of the amount involved it was decided to drop the matter.

3. *Import Licences for Ties, Handkerchiefs, Woollens, etc.* —It was brought to the notice of Mr. Ram Chandra that his Department seemed reluctant to issue import licences for ties, handkerchiefs, woollens, etc., Mr. Ram Chandra stated that quotas for July to December 1944 had just been issued and he did not think that importers would experience any difficulty in importing all the goods that were available for export at the other end.

4. *Fines in respect of Goods imported without Licences.*—Mr. Ram Chandra's attention was drawn to the fact that goods at present imported without any attempt to obtain an import

licence were allowed entry into India on payment of a fine. This fine was far too low and did not act as a deterrent as it was merely added to the price of the goods. In connection with this question a case was brought to the notice of Mr. Ram Chandra of a consignment of gum tragacanth which had been lying in the Customs Bonded Warehouse for some time and notice for removal of which had been given to the importer. A member of the Chamber had purchased this consignment on behalf of Government, the price including the penalty fee. It was possible that if the goods had not been purchased on Government account delivery might have been taken and the goods might have gone into the black market. It was suggested to Mr. Ram Chandra that the fines for importing goods without a licence should be somewhere in the neighbourhood of 100 per cent. on the cost of the goods which should not be allowed to be calculated as part of the landed cost in the cases of goods the prices of which were controlled.

Mr. Ram Chandra pointed out that the penalty for importing goods without a licence could be as much as 100 per cent. of the value of the goods. The Collector of Customs also had power under the Defence of India Act and the Sea Customs Act to refuse to levy the penalty and to confiscate the goods.

It was suggested that recourse should be had more often to confiscation in cases where deliberate evasion of the law was proved.

5. *Imports by the Canteen Stores Department.*—In reply to an enquiry Mr. Ram Chandra stated that he had no information in regard to the statement that it was proposed that the Canteen Stores Department should import goods for sale to Government civil employees and that such goods would be imported free of duty. He pointed out that goods imported by the Canteen Stores Department for the Defence Services only did not require licences and were imported free of duty. His personal opinion was that if any goods were imported by the Canteen Stores Department for others than the Defence Services they should be subject to import licences from his Department and pay import duty.

6. *Imports on behalf of Government.*—Mr. Ram Chandra was asked whether there was any truth in the rumour that the Government of India proposed to import consumer goods on their own account and whether it was also proposed to distribute such goods through a chain of Government Stores.

Mr. Ram Chandra stated that he understood that the Secretary of State had offered to send out from time to time any consumer goods that might be available. He had no knowledge as to how these goods would be disposed of on arrival as all such orders had been placed by the Industries and Civil Supplies Department and not by the Commerce Department.

He mentioned that recently the American Government had notified the Indian Buying Commission in the U.S.A. that there were certain consumer goods available for purchase and gave only a short period within which the offer had to be accepted. There was no time in which to go through the usual procedure of calling for applications for import licences, etc., and the only possible way to prevent the goods slipping away from India was to purchase them on Government account. He did not know how they would be dealt with when they arrived. It was impressed on him, however, that exception would be taken if these goods were not distributed through the usual channels.

7. *Imports of Canvas Hose.*—Mr. Ram Chandra's attention was drawn to the fact that although the Government Supply Department were importing large quantities of canvas hose, the trade had not been permitted to import any for some time.

The President again thanked Mr. Ram Chandra for meeting the Committee.

HOARDING AND PROFITEERING PREVENTION ORDINANCE, 1943.

"LANDED COSTS."

(*See Report* 1943, *page* 14.)

On the 28th March 1944 the Government of India, Department of Industries and Civil Supplies, issued a notification No. 1-2(18)/44/C.G. (CS) prescribing the form of cash memoranda for use (*a*) by a retailer or in any retail transactions and (*b*) by importers or wholesalers when supplying goods to a dealer.

In addressing the Government of India on the subject the Committee stated that while they appreciated the principle underlying the intention of this notification and generally commended it, they asked for clarification of certain points arising therefrom. Primarily it was not clear as to whether these instructions pertained to cash transactions alone or whether goods invoiced under a normal credit system were also included. If these instructions were confined to cash transactions alone, the wholesaler would be little affected and much of the ensuing criticism did not apply.

If invoiced transactions were to be included, the Committee considered that it was highly undesirable that a wholesaler should be forced to disclose confidential information such as the "landed cost" of goods to the public. The disclosure of this information to a duly authorised official of the Department of Industries and Civil Supplies was an entirely different matter and should be sufficient without insisting that it should be divulged to dealers.

Further points requiring clarification were the following :—

Was the notification applicable only to imported goods (as the wording " landed cost " seemed to imply) or to goods manufactured in India as well ?

If Indian goods were included was the ex-factory price to be given instead of the landed cost or the cost of manufacture as laid down in the Ordinance.

Mr. Desai at his meeting with the Chamber on 9th November 1943 undertook to have the wording of the Ordinance referring to the " cost of production " altered to ex-factory cost. It did not appear that any action had been taken on this point to date.

In the case of imported goods " landed cost " was frequently unknown, for example, in the common instance of a c.i.f. contract where the dealer paid against documents and the duty and charges were not disclosed to the seller.

It was also suggested that in the case of retailers it was unusual and unnecessary for the full name and address of a purchaser to be included on cash memos, more particularly as the greater number of such transactions were usually anonymous. It was recommended that this provision might well be dispensed with.

The Committee were informed that since the publication of the notification Mr. Desai had agreed that where any commodities controlled by a separate ordinance or order or by publishing amendments to the Anti-Hoarding and Profiteering Ordinance, the column of landed cost need not be filled in. Furthermore, that where the price of an article had been agreed with him, this column need not be completed but all bills and memos must be stamped " this price has been agreed with the Controller General of Civil Supplies." If the retail price had not been fixed a further stamp was to be added stating that the " retail price must be fixed in accordance with the normal trade practice." The Committee asked for confirmation of these points.

In conclusion the Committee offered to the Department the assistance of the Chamber of Commerce in dealing with the numerous details of commercial practice which were bound to be encountered in its work of controlling prices and suggested that consultation prior to the announcement of new measures might help in avoiding the difficulties which the commercial community were finding in complying with the Department's instructions.

No reply was received from the Government of India but on the 27th May 1944 the Department of Industries and Civil Supplies prescribed a new and more simplified form of cash memorandum to be given by a dealer or producer.

HOARDING AND PROFITEERING PREVENTION ORDINANCE, 1943.

Control of Necessities of Life.

In April 1944 a proposal was put forward to the Associated Chambers of Commerce of India by the Madras Chamber that if any real results were to be achieved in checking inflation it was necessary that Government should control prices of the real necessities of life such as food, clothing, fuel, lighting, housing and transport. Under the Hoarding and Profiteering Prevention Ordinance, Government had issued various notifications fixing maximum prices of various articles with a view to keeping down the spiral of inflation. Amongst the articles that were controlled there were many which must be regarded as non-essential, such as watches, whisky, fountain pens and other luxury goods. The cost of these non-essentials could have almost no effect on the cost of living index figures which despite control on some items continued to rise in a most alarming degree.

The Madras Chamber was of opinion that the control exercised so far had done little or nothing towards restricting inflation, but that if the real necessities of life were controlled and prices kept within reasonable limits, profiteering would be checked where it most mattered and the rise in the cost of living arrested.

In communicating their views to the Associated Chambers the Committee pointed out that the cost of living index figures in Bombay had been falling during the previous few months. All the items specified in the constituent Chambers' letter such as food, clothing, fuel, lighting, housing and transport were controlled in Bombay, at least in part. There were certain items of food and other articles such as made-up garments which might well be included under the control scheme and as the organisation of the Department improved, representations might be made by the Chamber to this effect.

The majority of the Chambers, however, supported the Madras Chamber's suggested amendments which were accordingly passed on to the Controller General of Civil Supplies.

HOARDING AND PROFITEERING PREVENTION ORDINANCE, 1943.

Amendment of Ordinance.

With a view to overcoming some of the difficulties experienced in the working of the Hoarding and Profiteering Prevention Ordinance, 1943, an amending Ordinance was published by the Government of India in April 1944.

The several amending clauses were approved by the Committee, but they raised strong objections against the insertion of the new clauses 14A, 14B and 14C.

Clause 14A authorised a magistrate empowered to act under section 260 in Chapter XXII of the Code of Criminal Procedure, 1898, to try any offence punishable under the Ordinance in a summary way under the provisions of that chapter, unless the District Magistrate directed that the case should not be so tried.

Clause 14B provided that in any prosecution for a contravention of sections 5 and 6 of the Ordinance, the burden of proving (*a*) that the quantity of an article in the possession of an accused person was not in excess of the limits specified in section 5 and (*b*) that in the sale of an article the sale price charged was within the limits approved by the Controller General (section 6), rested on the accused person.

Clause 14C specified that if a person contravening any provisions of the Ordinance was a company or other body corporate, every director, manager, secretary or other officer or agent thereof would, unless he proved that the contravention took place without his knowledge, or that he exercised all due diligence to prevent such contravention, be deemed to be guilty of such contravention.

The three clauses formed the subject of a protest to the Associated Chambers, the Committee pointing out that the clauses were of a most undesirable nature in so far as they superseded the existing basis of justice and overruled normal legal procedure and rules of evidence. As this was a matter of general principle the Committee considered that the matter should be represented to the Government of India.

In the Committee's experience orders and instructions originating from the Department of Industries and Civil Supplies under the Ordinance had been far from clear, and it was in consequence sometimes difficult for the honest merchant to find out what had to be done to avoid breaking the law, or to clear himself of any charge that might be made against him. The institution of special criminal procedure would therefore aggravate the situation still further.

As, however, the majority opinion of the constituent Chambers was against action being taken by the Association on the lines suggested by this Chamber, the President decided to leave the matter in abeyance for the moment.

HOARDING AND PROFITEERING PREVENTION ORDINANCE, 1943.

Prices of Woollen Goods.

In exercise of the powers conferred by section 3(1) (c) of the Hoarding and Profiteering Ordinance, 1943, the Central Government under Department of Industries and Civil Supplies Notification No. 1/2(29)/44.CG(CS), dated 8th April 1944, fixed the maximum prices, both wholesale and retail, which might be charged by dealers in respect of certain descriptions of woollen goods.

The Committee addressed the Controller General of Civil Supplies on the 23rd June 1944 and pointed out that many of the prices as shown in the notification were incorrect, some being too high and some too low, and needed urgent revision. After quoting specific examples the Committee stated that a general revision was undoubtedly necessary but if this was not possible before the season started, say, by the end of August, a suitable solution might be found in a suggestion put forward by the Delhi Piecegoods Association, namely, that the rate per shilling both in the case of " first cost " and " c.i.f." purchases should be fixed at Re. 1-1 and Re. 1 per shilling respectively and that dealers should be authorised to sell their goods at their landed costs plus the revised profit margin to be fixed by the Controller General.

IMPORT TRADE CONTROL.

Working of the System.

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta on the 17th December 1942, the following resolution was adopted unanimously :—

" While recognising the imperative need for the control of imports into India as a means of conserving shipping space and for other reasons, this Association is of opinion that the present system of control in India and more particularly its administration calls for early investigation and overhaul with a view to the removal of the serious impediments to legitimate and essential business to which the system gives rise."

A copy of the resolution together with the debate which preceded its adoption was forwarded to the Government of India and in September 1943, in again inviting the attention of Government to the resolution, the Associated Chambers pointed out that one of the main contentions made in the debate related to the need for responsible officials of Government at the ports, with authority to issue licences and decide questions raised by importers at these centres. It was with considerable satisfaction that the Chambers noted the appointment, from the beginning

of 1943, of Deputy Chief Controllers at Calcutta and Bombay. These appointments had beneficial results which the Chambers at these centres were the first to appreciate. There was, however, still a large measure of centralised control—the need and the reasons for which business interests also recognised—designed presumably to avoid conflicting policy and decisions on the part of the Controllers at the ports. If the exercise of centralised control were limited to this objective, the Chambers would have no objection to it. Complaints were frequent, however, on two grounds—firstly, by Madras and Karachi interests that they were at a disadvantage inasmuch as there were no Deputy Controllers at these ports who could, subject to necessary limitations, deal authoritatively and finally with the difficulties of importers; and, secondly, on the grounds of the unnecessarily large number of commodities in respect of which applications for licences had still to be referred to the Chief Controller of Imports in New Delhi or Simla. In the latter connection, repeated complaints were made to the Associated Chambers of exasperating delays leading to considerable financial loss in some cases, unnecessary correspondence, loss of markets and the slowing down of the country's war effort. The Chambers, as had been stated, appreciated the difficulties of Government in dealing expeditiously with what could not but be a complicated question calling for some measure of centralised co-ordination and control. They felt, however, that the circumstances justified their placing before Government the recommendations (*a*) that further consideration be given to a reasonable extension of the authority of the Port Controllers, particularly at Madras and Karachi where there were no Deputy Controllers; (*b*) that Government should adopt a system whereby Controllers at the ports would receive a percentage of the quota allotted to India and, before the expiry of any licence period, each Controller should be asked whether he would require the total quota so allotted to him or whether there was any balance which could be transferred to another port; and (*c*) that if, for sound reasons of which the Associated Chambers would be interested to hear, it was not possible materially to widen the powers of the Port Controllers, further determined efforts should be made to speed up the issue of licences by the Office of the Chief Controller of Imports.

With regard to the first complaint, i.e., that Madras and Karachi interests were at a disadvantage as there were no Deputy Chief Controllers of Imports at those ports, the Government of India stated that they had recognised that for licensing purposes imports must be divided into two classes, namely, those which must be dealt with by a single central licensing authority and those which could be dealt with under a decentralised system whereby licensing was carried under out quotas at each of the four main ports.

Government's view in this matter had not altered since they issued their Notification in 1941 and the appointment of Deputy Chief Controllers of Imports at Bombay and Calcutta did not represent a departure from the principles then adopted and which Government considered must be preserved. The only difference between the existing licensing system and that obtaining prior to the issue of their Notification No. 23-ITC/43 on the 1st July 1943 was that whereas the licensing of certain goods was formerly centralised in New Delhi, the licensing thereof was centralised in Calcutta or Bombay according as they fell under Part II or Part III of the said Notification. The intention had been to transfer the centralised licensing of the particular commodities concerned to the centres of trade in such goods; but the licensing of these goods remained centralised, and the licensing of Part II goods in Calcutta was no doubt as inconvenient for Bombay firms as it was for Madras and Karachi firms, whereas the licensing of Part III goods in Bombay must be as inconvenient for Calcutta firms as it was for Madras and Karachi firms. The Government of India regretted this inconvenience which, however, appeared to them to be unavoidable.

Meanwhile the other class of goods, namely, those which could be dealt with under decentralised control at the four main ports, had been included under Part IV of the Schedule to Notification No. 23/ITC/43, and the powers of the Import Trade Controllers to license these goods were identical at the four main ports, and no advantage attached in these matters to importers at Bombay and Calcutta as the Deputy Chief Controllers at those ports had, as such, no powers in respect of these goods.

It would thus be observed that the complaints of discrimination against Madras and Karachi in the matter of import licensing could not be sustained unless it was contended that there were Indian trades or industries which were largely or exclusively centred at or around those ports, and that the licensing of their requirements could be centralised in a Deputy Chief Controller of Imports stationed at one of those ports. If it was the contention of the Associated Chambers that this was the case, the Government of India would be glad to consider any suggestion which might be made as to the centralising of the licensing of any particular commodity at one of these ports. At the same time it was pointed out that the Government of India gave due consideration to this matter at the time when the Deputy Chief Controllers were appointed at Bombay and Calcutta and that they came to the conclusion that there was no justification for the appointment of Deputy Controllers at Madras and Karachi, similar to those justifying the appointments made at Bombay and Calcutta.

With regard to recommendation (*b*) put forward by the Associated Chambers, the Government of India stated that the goods contained in Part IV of the Import Trade Control Schedule were licensed by the Import Trade Controllers under quotas fixed on the basis of past imports. These quotas remained open until about half-way through the licensing period, when they were closed and the balances therein were transferred to the Chief Controller of Imports at New Delhi. Licences were then issuable by the latter officer to the extent of those balances, and at this stage the criterion of past imports was discarded in favour of a system of licensing on the merits of each application received.

In connection with recommendation (*c*), it was pointed out that where decentralised control existed it must be carried out under fairly strict instructions so as to avoid the possibility of importers at one port being treated in a more advantageous, or less advantageous, manner than importers at any other port. For this reason, it had not been possible to allow the Import Trade Controllers to exercise a great deal of discretion in the past and it was also for this reason that the Government of India regretted that they did not see their way to relax the strictness of the instructions to the Import Trade Controllers in the future. The issue of licences by the Chief Controller of Imports at New Delhi was, however, carried out as expeditiously as possible, having regard to the difficulties to which reference had been made and no import licences had been issued at Simla for over a year.

CONTROL OF COTTON CLOTH AND YARN.

Prices of Imported Cloth.

(*See Report* 1943, *page* 31.)

During a discussion held between a deputation from the Bombay Presidency Trades Association and the Textile Commissioner, the latter intimated that the Chamber had expressed approval of a mark-on of 10 per cent. above the landed cost price for the wholesaler, and 20 per cent. mark-up to be added to the wholesaler's price for the retailer.

The Committee thought it advisable to place on record with the Textile Commissioner their recommendation in this connection which had been mentioned, verbally to him when the then President of the Chamber discussed the question with him in February 1944.

The Committee's recommendations were as follows :—

They did not consider it equitable that landed cost should be taken as the basic price for calculation of wholesale and retail selling prices. Importers who brought in goods on their own account had to take into their calculation not only their margin

of profit but various, post-importation charges such as cartage to godown, godown rent, interest, fire insurance, and in the Committee's view these charges should be considered as legitimate additions to the landed cost for the purpose of arriving at the importer's selling price, not the wholesaler's.

The Committee after carefully considering the percentage which should be allowed on landed cost to arrive at the importer's selling price recommended that this should be from 10 to 12½ per cent., preferably the latter, and certainly not less than 10 per cent.

The Department of Industries and Civil Supplies of the Government of India informed the Chamber that it had been decided that it was not necessary to increase the margin between the importers' selling price and the landed cost of imported cotton cloth from 10 per cent. to 12½ per cent.

CONTROL OF CLOTH AND YARN FOR EXPORT.

Cess on Export.

Towards the end of June 1944 the attention of the Chamber was drawn to a draft scheme of the Government of India for the control of cloth and yarn for export. The main object of the draft scheme was to establish a fund for supervising the export of cotton cloth and yarn and for the development of technical education, research and other matters in relation to the cotton textile industry and for those purposes to levy a duty of customs on exports of cotton cloth and yarn. In commenting on this draft scheme the Committee informed the Hon'ble Member for Commerce that they wished to make it clear that they had no objection to, in fact they favoured, the control of prices of cloth and yarn for export. They had also no objection to the setting up of an organisation for inspection of cloth exports, though it was considered that this would be more satisfactorily managed by representatives of the industry, which was principally concerned with the maintenance of the goodwill of foreign buyers.

They felt obliged, however, to register the strongest objections to one feature of the control scheme, namely, the proposal to levy an export cess or duty on exports of Indian cloth.

In the opinion of the Committee, the proposed cess was unsound in principle and likely to do irreparable harm both to the export trade of India in the future and to relations between India and Allied countries at the present time. The present shortage of cloth would compel importing countries to accept whatever terms were offered; but in the future, when other exporting countries were in the market, the fact that India took undue advantage of the present situation would not be forgotten.

Other countries were also in a position to consider counter-measures even at the present time—and there was every reason to believe that they were doing so. In particular, countries like Australia which were supplying India with food at prices much below those prevailing here, would have a very genuine grievance and could hardly be blamed if they placed export duties on wheat which was as urgently required by India as cloth was by Australia.

It was considered that the present stage of the war did not provide a suitable occasion for international profiteering in the necessities of life, nor a suitable occasion for the commencement of an export tariff war.

It had been urged in favour of the proposal that foreign countries would have no cause of complaint, in that the price control instituted by other provisions of the scheme would result in a reduction of the rates which would otherwise be paid for. This argument appeared to be fallacious. Admittedly the prices charged for Indian cloth exported had been unwarrantably high, but they had been market prices, charged by private traders. The most that the Government of India could be blamed for was failure to control prices. If, however, prices, which although reduced, were still excessive, were fixed and sanctioned by the Indian Government which in addition prescribed what could only be regarded as an export duty on vital necessities in short supply, allied countries would resent, and rightly resent the imposition.

There was, in the opinion of the Committee, only one price level on which a sound export trade could be built, and that was the price level ruling in the supplying country. Any higher or lower price must inevitably arouse resentment, and recrimination and eventually retaliation, the lower price on the ground of dumping, and the higher (which was only possible in times of acute shortage) on the ground of profiteering.

If the export of cloth was to continue, and the Committee considered it would be most unwise to discontinue it, the price charged to foreign countries should be that prevailing in India, plus the necessary export charges.

On the 8th July, however, an Ordinance, No. XXXIV of 1944, was published in the *Gazette of India*. This Ordinance came into force at once and it enacted that on and from such date as might be notified by the Central Government a duty of Customs would be levied on all cloth and yarn manufactured in India and exported from British India at the rate of three per centum of the maximum ex-factory price for the time being fixed for the particular description of cloth and yarn exported by or under any order for the time being in force made under the Defence of India

Rules. It also laid down that the Central Government should constitute a body to be called the Cotton Textile Fund Committee to administer the Fund in accordance with the provisions of the Ordinance.

On the same day the Department of Commerce of the Government of India in exercise of the powers conferred by sub-rule (2) of rule 81 of the Defence of India Rules published in the *Gazette of India* an Order called the Cloth and Yarn (Export Control) Order, 1944, which, *inter alia*, authorised the Central Government to direct by notification from such date as might be specified in the notification that all cloth and yarn exported or intended for export and the packing thereof should conform to such minimum standards and specifications and should bear such markings as might be specified in the notification.

The Government of India, in replying to the Chamber's representation, stated that they had carefully considered the points mentioned by the Chamber and would be prepared, if at any time it was found that export trade was prejudicially affected by the levy of the export duty, to consider the question of reducing the duty or removing it altogether. They felt, however, that in view of the facilities that were being afforded to the consuming countries to obtain supplies at controlled prices, the latter should not object to the levy of a small duty for an essential purpose.

DISTRIBUTION OF TEXTILES.

The Committee's attention was invited by the Associated Chambers in May 1944 to recent Press reports which indicated that Government had under consideration a scheme whereby, *inter alia*, each consuming area would receive a quota of the available production of textiles, which would be supplied to each area by a restricted number of merchants formed into an association, and such associations alone would be permitted to import into each area.

It was pointed out by a constituent Chamber that there were amongst its members, all companies of repute, with many years' experience in the textile trade, those who were directly interested in cotton and other piecegoods and the yarn trade, in respect of both imported and Indian-made goods. The main policy and concern of these members was to keep their established qualities on the market at reasonable rates.

It was felt that the Government of India was being largely guided in this policy by manufacturers, and it might be that the claims of established textile concerns for a share in the trade

might go by default. It was also likely that these interests would be overlooked should Government consult only the various Indian Merchants' Piecegoods Associations.

In order, therefore, to press the claims of such concerns, the constituent Chamber urged that due recognition should be afforded to them in any scheme adopted by the Textile Controller in respect of goods manufactured in India, whilst in respect to imported goods, Government's assurance was requested that nothing would be done to upset the disposal of goods through the original consignee channels.

This suggestion had the support of the Committee of this Chamber, and in advising the Associated Chambers on the matter it was pointed out that the existing position was, that dealers were entitled to a quota based on their previous dealings. Provincial Governments had, however, the power to regulate distribution within their areas, and the point should be safeguarded by a representation in the matter.

CONSUMER GOODS.

(Control of Distribution) Order.

In a Press Note issued by the Government of India in July 1944 it was stated that under the Hoarding and Profiteering Prevention Ordinance prices of a number of articles in common use had been fixed and the upward trend of prices in the civil market had been arrested. Experience, however, had shown that with the control of prices of a particular commodity its available supplies had a tendency to go underground. While the Industries and Civil Supplies Department had taken action to increase the supplies of consumer goods in the country, it was felt that price control to be really effective must be implemented by a control over distribution of supplies. This was particularly necessary in the case of imported articles.

In order to enable them to do this the Central Government on the 15th July 1944 passed the Consumer Goods (Control of Distribution) Order. The Order applied to such imported articles and articles made in India as were mentioned in the schedule attached to it. These included wines, spirits and liquors, lead pencils, slate pencils, toilet requisites, boot and metal polishes, steel pens, typewriters and parts, wireless sets and parts, cycle spare parts and accessories, clocks, time-pieces and watches, crockery, sports goods, grindery, and camphor and camphor powder.

Importers and producers of scheduled articles were required to give intimation of arrivals and productions to the Controller-General of Civil Supplies. Importers of scheduled articles were

not at liberty to dispose of their goods after arrival except in accordance with the instructions of the Controller General of Civil Supplies. For internal distribution the Controller General would appoint approved dealers throughout the country and it was only to them that the importer or producer was allowed to sell his articles.

The Order gave power to the Controller General to fix the the prices at which the scheduled articles might be sold by importers, producers or dealers; and laid down that different prices might be fixed for different localities and different classes of importers, producers or dealers.

To implement the provisions of this Order suitable machinery, consisting for the moment, of an additional Controller General, three Deputy Controllers General and three Assistant Controllers General were added to the organisation of the Controller General of Civil Supplies.

DRUGS CONTROL ORDER, 1943.

On the 11th November 1943 the Department of Industries and Civil Supplies of the Government of India published a "Drugs Control Order" which had for its object the regulation of the sale and prices of drugs. The sections of the Order relating to licences came into force on the 15th January 1944.

In a Press Note issued on the 31st December 1943 the Government of Bombay intimated that applications for licences were to be made in prescribed forms and these duly completed in all respects, had to reach the Licensing Authority concerned on or before the 7th January 1944.

Applications for licences had to be accompanied by a fee as specified below :—

Licence in Form A.

(1) Manufacturers, Importers or Wholesalers.	(*a*) Rs. 600 for those whose principal place of business was Bombay.
	(*b*) Rs. 400 elsewhere, except that in the case of a manufacturer who was last assessed to an income-tax of less than Rs. 1,000 the fee shall be Rs. 200 only.
(2) Retailers—four classes :— (A), (B), (C), and (D) according as they paid more than Rs. 1,000 income-tax (A), between Rs. 500 and Rs. 1,000 (B), less than Rs. 500 (C), and those paying no income-tax at all (D).	(*a*) For those whose principal place of business was Bombay. Class (A) .. Rs. 120 Class (B) .. Rs. 90 Class (C) .. Rs. 60 Class (D) .. Rs. 30

(2) Retailers—four classes :—*continued.*

(*b*) For other cities where population was more than 2½ lakhs (1941) :—

Class (A)	.. Rs.	100
Class (B)	.. Rs.	75
Class (C)	.. Rs.	50
Class (D)	.. Rs.	20

(*c*) For towns with a population not more than 2½ lakhs but not less than ½ lakhs (1941 census) :—

Class (A)	.. Rs.	60
Class (B)	.. Rs.	40
Class (C)	.. Rs.	20
Class (D)	.. Rs.	10

(*d*) For licences in any other place :—

Classes (A), (B) and (C)	.. Rs.	10
Class (D)	.. Rs.	5

Licence in Form B.

Purchasers (other than those who purchased drugs for household consumption) .. .. .. Uniform fee of Rs. 15.

After 15th January, 1944, no importer, manufacturer, wholesaler or retailer could carry on any business in drugs without holding an appropriate licence.

The following telegram was sent by the Pharmaceutical and Allied Manufacturers' and Distributors' Association, Ltd., Bombay, to the Department of Industries and Civil Supplies, New Delhi, on the 5th January :—

"We assume from wording para one sub-clause (*a*) your number 475CS(D) 18/43 that only one licence taken out at principal office required by importers and manufacturers to transact business at any branches throughout India stop Please confirm immediately stop Protest scale of licence fees for manufacturers importers wholesalers as contrary to our understanding various meetings representatives your department that the object your imposing licence fees was not intended as tax on business stop Also our opinion that method assessment licence fee retailers unnecessarily complicated."

To the above the Association received the following reply :—

"Your telegram regarding drugs licences stop All independent branches are required to take out licences stop Branches have to pay fee leviable for independent firms in same cities stop Other points noted."

The Committee of the Chamber immediately addressed the Government of India associating themselves with this protest as they considered that the amount of the proposed licence fees was so high that it came under the heading of a sales tax rather than a licence fee and they strongly urged that reconsideration should be given and the fees materially reduced.

The Committee presumed that such fees as might be payable would be allowed by the Central Board of Revenue as a business expense in tax assessment, but requested an assurance, not only on this point but also that the system of licensing similar to the Act itself was only intended as a temporary war measure.

Furthermore, they asked for clarification as to whether factory dispensaries were included under the Order.

The Government of India declined to accede to the request for a reduction in the licence fees and added that factory dispensaries came within the purview of the Order but Provincial Governments had been empowered to exempt charitable and non-profit-making dispensaries from payment of licence fees under clause 6(1) of the Order. They also confirmed the presumption of the Committee that licence fees payable under the Drugs Control Order would be allowed by the Central Board of Revenue as a business expense in tax assessment according to section 10(2) (xii) of the Indian Income-tax Act of 1922.

By clause 7 of the Drugs Control Order, 1943, it was prescribed that the licensing authority might specify in the licence the conditions, if any, subject to which it was to be issued, and clause 8 empowered the licensing authority at any time for reasons to be recorded, to cancel or suspend any licence issued. Clause 16 provided that no prosecution for any contravention of the provisions of this Order should be instituted without the previous sanction of the Provincial Government and clause 17 empowered a Court trying a contravention of the provisions of the Order to forfeit to His Majesty any drugs in respect of which the Court was satisfied that the Order had been contravened.

In February 1944, it was brought to the notice of the Chamber that licences were being issued in accordance with the provisions of the Order and Condition VIII in the licence read as follows :—

"In case this licence is cancelled during the currency of the licence period or is not renewed on its expiry, the licensee shall forthwith hand over all unsold stocks of drugs to the Licensing Authority or to any officer deputed for the purpose and shall have no claim for any compensation."

Notwithstanding clause 7 of the Drugs Control Order which empowered the Licensing Authority to specify in the licence the conditions subject to which it was issued, the Committee were of opinion that Condition VIII printed on the reverse of the licence was *ultra vires* the Licensing Authority and that it was unreasonable, in so far as it would tend to place a dangerous weapon in the hands of subordinate officials in the case of any technical breach of rules.

They, therefore, addressed the Government of India in the matter and recommended that this condition should be withdrawn.

No reply was received.

PAPER CONTROL.

On the 12th June 1944 the Department of Industries and Civil Supplies of the Government of India issued two Orders, (1) the Paper Control (Economy) Order and (2) the Paper Control (Distribution) Order. After consulting members of the Chamber interested in the paper trade the Committee drew Government's urgent attention to the serious effect the former would have not only on the printing and publishing trades but on all commercial activity.

The need for economy in paper was fully appreciated and every effort had been and was being made to reduce consumption but the terms of the Order as it stood were incapable of fulfilment without to a great extent disrupting commerce in India.

It was understood that this Order had been introduced without any previous consultation with commercial bodies, contrary to the method adopted in the case of the Newspaper Control Order, which was in the first instance discussed with the Indian Newspaper Associations prior to its enactment, and the Committee deplored that Government had thought fit to introduce a measure with such far-reaching effects as this without at least obtaining the advice of commercial interests.

The main points to which objection was taken were the sections in the Order :—

(1) reducing the consumption of paper by 70 per cent. (in the case of educational literature, 50 per cent.) of that used during the year 1943 ; (2) confining printers and publishers to the use of only one-twelfth of 30 per cent. (50 per cent. in the case of educational literature) of their 1943 consumption, each month ; and also (3) the lack of provision in the Order for exemption in cases where printing matter was essential for the war effort.

As regards the first point, the Committee, whilst realising the need for enforcing paper economy, found it difficult to accept the necessity for such a drastic cut as 70 per cent. and pointed out that as an incidental result workers in printing presses and publishing houses would be stood-off for two-thirds of every month.

They understood that the larger portion of paper used in high quality printing matter used by business houses was not of Indian origin at all, but was imported, and they suggested that the situation could be considerably eased if licences were given for increased quantities of this class of paper to come from abroad. It was understood that a number of export licences were still pending for paper from the United Kingdom, which were awaiting import licences from India.

Dealing with the second objection to the Order, the Committee submitted that printing only small supplies of customers' orders each month was impractical and uneconomical, as it would necessitate keeping the type for each order set up over a long period. To attempt, however, to undertake customers' complete orders in rotation would be unfair to the majority of individuals concerned, as some orders could be undertaken only at the end of the twelve-month period.

Furthermore, certain publications, such as school books, were seasonal and could be supplied only during one month in the year.

Advertisement and printing orders were also to a certain extent seasonal and the printing could not be spread equally over the year. Also when a book was published an edition was printed of a certain stipulated number of copies and it would be quite impractical to print a proportionate number of copies each month.

The Committee illustrated the effect of this Order on certain commercial interests by the following few examples in which a high proportion of the paper at present allotted was essential unless business was to be completely disorganised.

Banks.—A member firm printing accounting forms for a banking institution stated that there were some 280 different forms and that one annual order was placed for all the branches established throughout India. It was quite impossible to reduce the consumption by 70 per cent. or to divide this order up into 12 monthly portions, and the Paper Control Order would, if persisted in, materially interfere with the working of this and all other banks. Incidentally, the same firm had received that day an order for 25,000 copies of the annual report of the Reserve Bank of India. It was enquired whether it was suggested that owing to the existing Order they were to refuse to print more than 8,000 copies ?

Insurance Companies.—Policies were inscribed on a printed document and various application forms, etc., were necessary. If consumption was to be reduced by 70 per cent. presumably therefore insurance business must be equally reduced.

Matches.—Matches must be sold packed in boxes. The box must be covered with paper. If paper consumption was to be reduced by 70 per cent. the consumption of matches would have to be similarly reduced.

Medicines.—Medicines had to be labelled and a modicum of explanatory literature issued when they were sold. Here again, if consumption was to be reduced the supply of medicines would have to be curtailed.

Educational Literature.—Although consumption was to be reduced by 50 per cent. only, Government should be aware that in the last few years the number of students had increased by over 300 per cent. This reduction would therefore have serious repercussions on education.

Literature other than Educational.—In 1939 the major proportion of reading matter was imported. These imports had largely ceased and their place taken by books printed in India. The Paper Control Order would materially affect the reading public which owing to the presence of the Armed Forces had enormously increased. Furthermore, it would put a stop to the publication of new books, since established publishers would be forced to reprint only books already in demand.

Commercial Houses in General.—Office stationery and accounting forms were essential for the functioning of commerce. They could, of course, be economised in, but most, if not all, possible economies had already been brought into effect by 1943, and if they were to be reduced by a further 70 per cent., business must suffer very appreciably.

As stated earlier, the Committee fully appreciated the need for economy in the use of paper, but again drew Government's attention to the colossal wastage of paper that occurred in certain Government Departments, especially in tenders called for by the Supply Department. Business firms found that three times as much paper was now required for doing business with Government as in pre-war days.

Apart therefore from urging a complete overhaul of the stationery issuing Departments in Government offices, the Committee submitted the following recommendations :—

1. The amount of the percentage cut in consumption be re-examined and reduced.

2. The Paper Controllers, if already in existence at the main centres, or specially appointed Deputy Paper Controllers, be empowered to issue licences for essential printing over and above the permitted quota.

3. Printing presses not to be restricted to a monthly ration but the amount allowed for a year to be used as required and as available.

4. Additional licences for the import of paper from abroad be made available by the Import Trade Controller.

A conference was held in Bombay on the 11th July 1944 between the interests affected and the Secretary of the Department of Industries and Civil Supplies at which the Chamber was

represented by the President. Several changes were subsequently made in the Orders. There were in all six Orders controlling respectively :—(i) Economy ; (ii) Distribution ; (iii) Production ; (iv) Price ; (v) Prices of Board ; and (vi) Prices of Imported Paper.

CONTROL OF IMPORTED ENGINEERING STORES.

(*See Report* 1943, *page* 38.)

It was recorded in the Chamber's Report for 1943 that in addressing the Government of India in regard to the Control of Imported Engineer Stores Order, 1943, the Committee presumed that it was the intention of Government to control scheduled goods at the port of importation from which point they should not be sold or otherwise disposed of except under a general or special licence and that there was no intention of calling for returns from all petty bazaar dealers or owners. They suggested, therefore, that the Order needed clarification and an explanation should be published in the shortest possible time.

The Government of India in reply stated that the Committee's presumption was correct and all sale, transfer, etc., of imported engineer stores had to be done only under a licence issued by the Controller. There was, however, no necessity for petty bazaar dealers, stockists or owners to whom the Committee had referred to submit any returns unless they were either themselves the importers of the goods or had caused their importation—*vide* clause 5 of the Order which prescribed the submission of stock returns. Thus persons who had acquired imported engineer stores by purchase from stockists in India were not required to submit stock returns though they might not sell, transfer or otherwise dispose of these goods without obtaining a licence. On the other hand, importers as well as persons who had caused goods to be imported either through an agent or by placing a forward order on an importer were liable to submit stock returns, as clause 5 (*a*) of the Order specifically applied to them.

PANEL IMPORTS.

Margin of Profits.

On the 23rd of May 1944 the Director General of Munitions Production issued separate circulars to (1) firms engaged wholly in importing and (2) firms whose import trade was only a portion of their business. The Director General stated that the promulgation of the Hoarding and Profiteering Prevention Ordinance combined with the drive against inflation necessitated an examination of the margins obtained by importers on goods imported under the Panel Scheme. Government had had under examination the best practical method of ensuring the objective of restriction of net profits on panels imports to a reasonable level. Discussions

had been held with the Advisory Panel of Importers from the United Kingdom and with the Chairmen of all Working Panels. Government had decided that owing to the considerable variations in the type of business and in the structure of firms engaged in the import trade, it would not be possible to examine the Import Groups as a whole and that instead it would be necessary to review the position of individual importers.

In the case of firms engaged wholly in importing, the following information was called for :—

(*a*) A copy of the firm's balance sheet covering the last 5 years. If available, provisional accounts at least had to be submitted for 1943.

(*b*) A copy of the profit and loss account covering the last 5 years. If available, provisional accounts at least had to be submitted for 1943.

(*c*) A rough approximation expressed in percentages, of the proportion of sales to Government and to civil consumers over the years in question.

(*d*) The percentages charged over the landed cost (including, of course, customs duty) on the sales to Government.

(*e*) The percentages charged over the landed cost (including, of course customs duty) on the sales to civil consumers.

(*f*) The standard figure of profit for E.P.T. purposes.

If the selling prices were fixed either by an Association in the United Kingdom or an Association in India, this had to be stated and details given.

It was also required to be stated when f.o.b. or c.i.f. prices for goods were fixed by an Export Group in the United Kingdom.

It was the intention to review the information given in the light of :—

(*a*) The net return on capital employed,

(*b*) the net return on capital,

(*c*) the trend of expenses.

In the case of firms whose import trade was only a portion of their business the following information was required :—

(*a*) rupee value of the sales of the import department year by year from 1938 to 1943,

(*b*) rupee value of stocks of imports carried at the end of each year from 1938 to 1943,

(*c*) rupee value of the sales of the whole business during the years 1938 to 1943,

(*d*) the profit made on the import business year by year from 1938 to 1943,

(*e*) the profit made on the whole business year by year from 1938 to 1943,

(*f*) the overhead (administrative and selling expenses) debited to the import business year by year from 1938 to 1943,

(*g*) the overhead debited to the total business year by year from 1938 to 1943,

(*h*) a rough approximation expressed in percentages of the proportion of the sales of imports to Government and to civil consumers over the years in question,

(*i*) the percentages charged over the landed cost (including, of course, customs duty) on the sales to Government,

(*j*) the percentages charged over the landed cost (including, of course, customs duty) on the sales to civil consumers.

It was the intention to review the information supplied in the light of (*a*) the net return on capital employed and (*b*) the trend of expenses.

The Committee protested strongly against the issue of these letters which they considered quite unjustifiable and unlikely to provide Government with the information desired. They were of opinion that a reasonable agreement on profit margin could be arrived at by consultation with the interests concerned without the exhaustive analysis of each company's trading over a period of years and urged that these letters should be withdrawn.

The Associated Chambers of Commerce of India were also informed to the above effect.

In August 1944 the Associated Chambers informed this Chamber that the replies received from the constituent Chambers were unanimous in the view that strong opposition to the enquiry should be entered by the Association on grounds which briefly and in general terms might be summarised as follows :—

(*a*) that the enquiry portended an attempt—which the interests concerned must in principle strongly resist—to base prices on the overall profits of a business and/or on the capital employed ;

(*b*) that the enquiry cut across the principles at present governing (i) the existing method of enforcement of the Hoarding and Profiteering Prevention Ordinance and (ii) the application of the agreed system of fixed prices or margins in the case of individual commodities or contracts ;

(*c*) that the request to divulge the information called for by the Supply Department was contrary to accepted business and commercial principles concerning the privacy of a company's affairs, particularly those of a private company ; that much of the information asked for was not in any case available to branch and agency offices and that the preparation of the information asked for would impose a strain on overworked and understaffed importers which they should not, without the most cogent reasons, be asked to sustain.

During the second half of July the President established contact with the Supply Department in Calcutta with regard to the investigation and also with regard to a request which had

been made to a number of Panel Importers in Calcutta that they should agree to Cost Accountants being deputed to extract the required information by personal inspection of their books and accounts. Subsequently—on the 4th August—the President, in company with the Chairman of the Advisory Panel, discussed the whole matter with representatives of the Supply Department and placed before them the attitude of the Associated Chambers, stressing in particular the assurances that had been given by the Controller General of Civil Supplies in December 1943 regarding the procedure which would be adopted in practice in applying the provisions of the Hoarding and Profiteering Prevention Ordinance. Later, on the 8th August 1944, the President attended by invitation a meeting between the Hon'ble Member for Supply and the Advisory Panel when he again stated the case of the Associated Chambers.

From these discussions the following were the salient points that emerged :—

(*a*) Although not the main purpose of the proposed investigation and though there was no intention of departing from the existing method of placing Supply Department contracts at prices fixed by negotiation, the Supply Department indicated that in a number of cases of Panel goods, prices called for review.

(*b*) The Supply Department had reason to believe that in some cases Panel goods made available to the general public were being marketed at excessive prices ; and as they had, by arrangement with the Department of Civil Supplies, been charged with the function of applying to Panel imports the provisions of the Hoarding and Profiteering Prevention Ordinance, they were bound to satisfy themselves in the matter of ceiling prices which —consonant with the guiding principle of the Ordinance—would allow a profit margin between landed cost and selling price comparable with that earned prior to the war, with due regard to the reduced or increased volume and rate of turnover of business.

(*c*) That if any other mutually acceptable method could be evolved of affording the Supply Department the necessary data, on which to proceed, it would be sympathetically and favourably considered.

In the result, the Supply Department had accepted an alternative procedure which the President was informed had the full concurrence and support of the Chairmen of the Advisory and Working Panels and which might be broadly summarised as follows :—

(*a*) The Supply Department would not proceed with the enquiry contained in the Additional D.G.M.P.'s letters of the 12th/23rd May ;

(*b*) The Additional D.G.M.P., would address a further letter to all Panel Importers asking them to supply certain information which would afford them the requisite data and which the Advisory and Working Panels regarded as both reasonable and necessary for the purpose in view ;

(*c*) After receipt of the above data, which would be treated in the strictest confidence and subject to safeguards of which the Panel Committees approved, action on the part of the Supply Department in the matter of the fixation of prices would be taken only in the closest consultation with the Working Panels.

The President considered this to be a satisfactory outcome of the prolonged negotiations that had taken place on what was essentially a question of considerable difficulty and some delicacy. He expressed a hope that when full details became available of the revised procedure, which had been worked out, the constituent Chambers would see their way to recommend that Panel Importers should co-operate fully in giving effect to it.

After considering, in consultation with the Engineering (Imports) Sub-Committee, the revised questionnaire issued to importers by the Director General of Munitions Production, the Committee informed the Associated Chambers that it appeared to them to be a reasonable one.

UNITED KINGDOM ADVISORY MISSION OF MACHINE TOOL UTILISATION.

Early in September 1944 the Controller of Supplies of the Government of India informed the Chamber that the United Kingdom Advisory Mission of Machine Tool Utilisation Experts would be visiting Bombay during October 1944 and requested that a deputation from the Chamber might be nominated to interview the Mission.

The composition and terms of reference of the Mission were as follows :—

Composition.

Sir William Stanier, F.R.S., M.I.MECH.E., M.I.LOCO.E. (Chairman).

Mr. R. G. Jarvis, from British Railway staff.

Mr. W. H. G. Clifton, Production Engineer, Ministry of Aircraft Production.

Mr. B. W. Palmer, Manager of Railway Department, Messrs. G. D. Peters, near Slough.

Mr. S. V. Woolley, Machine Tool Control, Ministry of Supply.

On its tour the Mission will be accompanied by :—

Mr. G. A. R. Trimming, Machine Tool Controller.

Mr. J. M. Shrinagesh, I.C.S., Deputy Secretary to the Government of India, and Secretary to the Mission.

Terms of Reference :

(*a*) To take stock of India's resources of engineering plant and machine tools with particular reference to the repair and maintenance of the following items :—

Aircraft and Aircraft Ordnance.
Ordnance.
Naval and Civilian Ships.
Motor Transport Vehicles.
Locomotive and Rolling Stock.

(*b*) To advise on the best use thereof for the purpose of carrying out the objective of making India the first base for operations by South East Asia Command.

(*c*) To recommend such adjustments of the distribution of machine tools as may be considered desirable and to suggest measures for their improved utilisation.

The Committee nominated representatives from the following members to interview the Mission :—Messrs. Mackinnon Mackenzie & Co. ; Messrs. William Jacks & Co., Ltd. ; Messrs. Batliboi & Co. ; and Messrs. Turner Morrison & Co., Ltd.

CERTIFICATION OF LOCALLY PREPARED INVOICES.

In August 1944 the attention of the Committee was drawn to the following public notice that had been issued by the Bombay Customs House on the 7th July 1944 :—

"No. 12. *Locally prepared invoices—certificate of.*—Importers and all concerned are hereby informed that applications for certifying the authenticity of locally prepared invoices will not be entertained in future unless such applications are covered by 'No objection' certificates from the Controller General of Civil Supplies or an officer not below the rank of an Assistant Controller General of Civil Supplies, Bombay."

As this procedure was causing confusion and delay among importing members the Committee addressed the Collector of Customs in the matter and pointed out that the original airgraph invoice was pasted on the back of the Bill of Entry and was kept by the Customs Department and if, therefore, a part shipment had been received or if a portion of the cargo had been diverted, there was no document available for the balance of the consignment and the so-called locally prepared invoice had to be submitted.

The Committee requested the Collector to explain to them the reason for this notice and suggested that the Controller General of Civil Supplies had already adequate powers including the automatic freezing of such imports as he chose to put on the schedule of the new Ordinance.

In reply the Collector stated that it was the practice of certain importing firms to prepare locally an invoice different from the original despatched by the consignor. The second invoice showed a c.i.f. value greater than that entered in the original or true

invoice. It was this kind of invoice which would not be authenticated in future, unless covered by a 'No objection' certificate from the Controller General of Civil Supplies. No such certificate was, however, required in respect of locally prepared copies of the original or true invoice and Notice No. 12 dated 7th July 1944 did not apply to such copies.

In order to leave no further room for doubt in the matter, Notice No. 12, dated 7th July 1944, was amended and the following amended Notice No. 19 was issued on the 26th August 1944 :—

"No. 19.—Importers and others concerned are hereby informed that applications for certifying the authenticity of locally prepared invoices will not be entertained in future unless such applications are covered by 'No objection' certificates from the Controller General of Civil Supplies or an officer not below the rank of an Assistant Controller General of Civil Supplies, Bombay.

"It is emphasised that this notice applies only to invoices prepared locally and which differ from the invoice covering the goods despatched by the consignor. It does not apply to locally prepared *copies* of the original invoice.

"This Custom House Notice No. 12, dated 7th July 1944, is hereby cancelled."

WAR RISKS (GOODS) INSURANCE SCHEME.

Cost of removal of Goods from damaged Godown.

In February 1944 the Associated Chambers of Commerce of India requested the views of the Chamber on the following point raised by the Madras Chamber. During the one enemy air raid on Madras, the roof of one of the smaller godowns of a member of the Madras Chamber was holed and damaged by a bomb. The explosion did no direct damage to the goods in the godown but as the monsoon was active, the owners immediately removed all the goods out of that compartment, wisely, as it turned out, as the compartment was flooded to the sill of the doorways during the next two days by rain-water coming through the damaged roof. They were also fulfilling the clause whereby the insurer was bound to take all steps to mitigate the damage.

After protracted inspection, correspondence, etc., the firm received notice from the Government of India that their claim for charges incurred in moving their goods could not be entertained as no damage due to war risks as defined under the War Risks (Goods) Insurance Rules had been suffered.

It also followed that, had they allowed their goods to remain in the damaged compartment they should have had their claim for rain damaged goods refused, (*a*) because they took no steps to mitigate the damage, and (*b*) because the rain damage would not have been caused as the result of direct enemy action.

The firm considered that as their expenses arose through direct enemy action they would not have been incurred had the enemy action not taken place but Government held a different view.

The Madras Chamber were of opinion that the only remedy for the above would appear to be to press for an amendment of the Rules under the Ordinance so as to cover consequential loss and in requesting the Associated Chambers to do so the Chamber remarked that in view of the high rate of premium that was being charged for risks under the Ordinance, and the enormous balances held by Government on this account, it was felt that Government might conceivably consider such a request favourably.

The Committee informed the Associated Chambers that they considered that a representation should be made to the Government of India to amend the rules to cover a case such as was set out by the Madras Chamber. The fund at Government's disposal was already unnecessarily large and in so far as the firm concerned took reasonable steps to prevent their goods from damage, which though not directly due to enemy action would have occurred if they had been left in the damaged godown, compensation should undoubtedly be forthcoming.

The Associated Chambers addressed the Government of India as suggested by the Madras Chamber but Government replied that they could not amend the Ordinance to provide cover for the kind of indirect risk suggested. In response to an enquiry from the Associated Chambers as to whether the Chamber had any further comments to offer, the Committee stated that they saw no reason to alter their views previously expressed.

WAR RISKS (GOODS) INSURANCE SCHEME.

Rate of Premium.

(*See Report* 1943, *page* 49.)

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta on the 20th December 1943, the following resolution was moved by the Northern India Chamber and adopted unanimously.

"In view of the substantial amounts standing to the credit of the War Risks (Factories) Insurance Fund and the War Risks (Goods) Insurance Fund and having regard to the all-round improvement in the war situation as a whole, the Associated Chambers recommend that the War Risks (Factories) Insurance Scheme be continued for a period of one year from the 1st April 1944 at a rate of premium not exceeding one-half of one per cent. per annum and that, with effect from the commencement of the next ensuing quarter, the rate of premium under the War Risks (Goods) Insurance Scheme be reduced to one-half anna per complete hundred rupees per month or part of a month."

A copy of the resolution and of the discussion which preceded its adoption was forwarded to the Government of India. Subsequently at the suggestion of this Chamber the Associated Chambers of Commerce of India addressed the Government of India and referred to a statement of account of the War Risks (Goods) Insurance Scheme published in the *Gazette of India* dated 5th February 1944, which disclosed that the total receipts under the scheme had amounted to 11.87 crores of rupees against which payments of claims amounted to the insignificant figure of Rs. 20,362. These figures served to confirm the case already submitted by the Associated Chambers to the Government of India in favour of a substantial reduction in the future rate of premium which in the opinion of the Chambers should be one half anna per complete hundred rupees per month or part of a month.

In a Press *communique* issued in New Delhi on the 14th March 1944, it was mentioned that the Central Government had decided that the rate of premium payable under any policy issued under the War Risks (Goods) Insurance Scheme, in respect of goods liable to compulsory insurance, should be reduced to one anna per month or part of a month for each complete sum of Rs. 100 for the quarter ending 30th June 1944.

The subject was again considered by certain of the constituent Chambers in the light of the above reduction and in addressing the Associated Chambers in the matter they stated that they were of opinion that, though they appreciated the reduction it was less than circumstances warranted. In view of the substantial reserve accumulated in the fund under the scheme, they suggested that the Association should urge on Government the desirability of reducing the premium rate further for the quarter commencing 1st July 1944 in terms of the resolution adopted at the annual meeting of the Associated Chambers.

The Committee of this Chamber were not in favour of pressing for a further reduction in the rate of premium, as they did not consider that the present time was opportune. The Associated Chambers of Commerce were advised accordingly and the Chamber was subsequently informed that the President had decided not to take any action in the direction suggested. In the meantime the Government of India decided to amend the War Risks (Goods) Insurance Ordinance, 1940, so as to cover damages occurring as the direct result of any explosion or fire which involved any explosives or munitions or other dangerous thing required for war purposes, and which happened or was caused by or through or in connection with the manufacture, storage or transportation of any such explosives, munitions or other dangerous things.

In view of the additional risk to be undertaken, the rate of premium payable in respect of goods subject to compulsory insurance under the War Risks (Goods) Insurance Scheme for the quarter beginning 1st July 1944 was fixed at one anna and three pies per month or part of a month for each complete sum of Rs. 100. Subsequently the period was extended to 31st December 1944, and for the quarter ending 31st March 1945 it was reduced to one anna.

At the annual meeting of the Associated Chambers held at Calcutta on the 14th December 1944, the following resolution was moved by the Northern India Chamber and adopted unanimously :—

Having regard to the continued improvement in the war situation and in view of the substantial amounts standing to the credit of the Funds under the Schemes, this Association recommends that, for the present, no further premia be collected in respect of the War Risks (Goods) Insurance Scheme and that the payment of premia towards the War Risks (Factories) Insurance Scheme cease after 31st March, 1945, but that Government continue to provide cover against War Risks under the Schemes and that the position of the two Funds be reviewed before the end of the year 1945.

WAR RISKS (FACTORIES) INSURANCE SCHEME.

Rate of Premium.

(*See Report* 1943, *page* 49.)

On the 20th March 1944 the Department of Commerce of the Government of India issued the following Press *communique* intimating that the Central Government had decided that the rate of premium payable under policies issued under the War Risks (Factories) Insurance Scheme, the period of which had been extended up to the 31st March 1945, should be fixed at the reduced rate of one per cent. of the insurable value of the property calculated to the nearest anna on each complete sum of one hundred rupees for the year ending 31st March 1945. This premium would be payable in four equal instalments on 1st April, 1st June, 1st September and 1st December 1944.

Premium for the insurance of inland vessels during the year ending 31st March 1945 was payable at the same rate and in the same instalments as in case of factories.

WAR RISKS INSURANCE.

Bombay Fire Damage.

At the end of May 1944 the Commerce Department of the Government of India issued a Press *communique* intimating that damage to goods and factories insured under the War Risks (Goods) Insurance Ordinance and War Risks (Factories) Insurance

Ordinance which had been affected by the occurrence in Bombay on 14th April 1944 was not covered under the definition of " war risks " prescribed under these two Ordinances. No claim lay therefore under these Ordinances in respect of such damage. Similarly no claim lay under the War Injuries (Compensation Insurance) Act in respect of personal injuries received in the same incidents.

WAR RISKS INSURANCE ON POST PARCELS.

In September 1944, a member pointed out that in respect of shipments under a Bill of Lading from the United Kingdom and other countries, the consignors under existing war-time conditions took war risk insurance cover under rules framed by their Governments. In the case of marine insurance, the opinion seemed to be clear that under the Institute Cargo Clauses, the insurance was from warehouse to warehouse and this was compulsory, but in respect of insurance against war risks, it would appear that the rules framed by the Governments of the exporting countries prevailed and the member enquired if its extent was concurrent with marine insurance or if not, how long it operated and when it specifically ceased. The member considered this question to be important, for from the time the cover taken in the foreign countries ceased, the goods had to be covered against war risks under the Government of India War Risks Scheme.

The member contended that in the case of post parcels the Post Office should be deemed to be the custodian and owner of the property till the time of delivery to the consignees and either the war risks insurance taken in the exporting country should be held to operate till the packages were delivered or if it was otherwise, the rules under the Government of India War Risks Scheme should be effective only, so far as the consignees were concerned, from the time the parcels were delivered to them. The consignees were ignorant of the arrival of the steamer in which these parcels were carried and of their custody by the Post Office till intimation was given to them by the Postal Authorities and if any cover was necessary under the Government of India War Risks Insurance Scheme, the member considered that the Post Office as custodians should be deemed responsible for taking such cover.

The question was referred to the Government of India War Risks Insurance Ordinance Advisory Committee who stated that as regards the first query raised the " Goods " Scheme covered goods insurable under it anywhere in British India or, when consigned from one place in British India to another place in British India and in transit, situated in India, but did not extend to cover any goods situated at a port or on any vessel or in transit in British India or any territory to which section 15 of the War Risks " Goods " Ordinance was for the time being applied, and

which while so situated were covered against war risks by an Overseas Government War Risks Insurance Policy or a Marine Insurance Policy whereby they were insured for a sum not less than their value for the time being provided that if the value of the goods for the time being exceeded that for which they were covered against war risks by an Overseas Government War Risks Insurance Policy, or a Marine Insurance Policy, the goods must be insured under the " Goods " Scheme only for such excess.

As regards the second query, the Advisory Committee stated that if the arrival of the goods was anticipated, the consignees should insure the goods in anticipation; if their arrival was not anticipated then as soon as their presence in this country was known to them. They added that though Government had powers under the Ordinance to penalise in cases where insurance had not been taken out they were sure that Government would not exercise these powers unreasonably.

WAR INJURIES (COMPENSATION INSURANCE) ACT.

(*See Reports*, 1942, *page* 156 ; 1943, *page* 55.)

It was recorded in the Chamber's Report for 1943 that in the *Gazette of India* dated 18th December 1943 the Department of Labour of the Government of India had published the War Injuries Compensation Insurance Scheme and the War Injuries Compensation Insurance Rules, 1943. In addressing the Government of India on the subject the Committee stated that they had no remarks to offer on the scheme and rules but inquired whether any steps were being taken to make it clear beyond doubt what workmen were covered by the expression " workmen employed in any major port " appearing in section 5 (1) (*d*) of the War Injuries (Compensation Insurance) Act, 1943. In this connection attention was drawn to the Chamber's letter of the 18th December, 1943, wherein the Committee in commenting on section 28A of the Indian Trade Unions (Amendment) Bill, 1943, drew attention to the various interpretations that might be placed on the use of the phrase " workmen employed in a major port " appearing in that section and pointed out that as the phrase was far from clear it required elaboration. It seemed necessary, therefore, that steps should also be taken to amend section 6 (*d*) of the War Injuries (Compensation Insurance) Act so as to make it clear what workmen were covered by that section.

The Government of India in reply stated that the employment in a major port was not restricted to employment under port authorities only but extended to all employment in the geographical limits of major port as notified by Government, other than those workmen casually employed and who were employed otherwise than for purposes of their employers' trade or business.

All workmen employed in a major port in British India were covered irrespective of the fact whether they resided within or without British India.

The Government of India added that the question whether any amendment of the clause relating to "employment in a major port" was necessary, was being taken up for consideration.

The Committee, however, pointed out in this connection that the geographical limits of the Port of Bombay as defined by the Act of 1858 excluded all land not usually covered by water, and they suggested that Government would be well advised to rectify their orders on this subject by a special notification without delay.

The Government of India on the 31st March 1944 replied that the question of revising the geographical limits of the Port of Bombay was under consideration and as soon as a final decision was arrived at the Chamber would be informed accordingly.

LEAVE EX-INDIA WITH GUARANTEED RETURN PASSAGE.

In November 1943 the Chairman of the Bombay National Service Advisory Committee wrote to the Defence Department, Government of India, on the subject of leave in the United Kingdom or other country of domicile for men of national service age. The Committee were of opinion that, at that stage of the war, short local leave was no longer adequate and urged that it should have power to issue exit permits to the United Kingdom in suitable cases with the object of allowing the recipient to enjoy not more than six months out of India, and that the Defence Department should, as a matter of course in such cases, arrange for priority for the return passage to India.

Further representations were made subsequently, urging that families should be permitted to accompany individuals who were authorised to go on leave to the United Kingdom and pointing out that a considerable number of women and children who were the families of Government servants and members of His Majesty's Forces had been allowed to go home.

In January 1944 a reply was received to the effect that leave should for the present be restricted to the minimum and granted only on the strongest medical or other very exceptional grounds. It was agreed, however, that anyone who could get leave and a passage, should be granted an exit permit. Government were,

however, only prepared to grant priority return passages in cases where leave was taken on strong medical grounds and stated that it was unlikely, if an individual were to proceed to the United Kingdom except on these grounds, that he would be able to return to India for some considerable time.

This correspondence was followed in February 1944 by a letter from the Defence Department in reply to the Bombay Committee's letter of November 1943 informing all National Service Advisory Committees that the Secretary of State had agreed to the provision of 50 passages a month both ways. A priority passage scheme was therefore to be instituted for the benefit of both officials and non-officials. This was to be confined to key personnel, that is to say, men performing or earmarked to perform duties of particular importance to the war effort or the handling of immediate post-war problems, who were urgently in need of leave to recuperate and to whom it would be of special advantage to renew contacts in the United Kingdom. At the same time the National Service Advisory Committee were appointed as the authority to recommend applications for leave priorities in the case of non-officials. The 50 passages referred to were to be distributed equally, between officials and non-officials, the Bombay quota being 4 per month for non-officials. At this stage it was laid down that wives and families could not accompany their husbands travelling under the priority leave scheme. On this point the Bombay National Service Advisory Committee urged that such family members should be given priority to the United Kingdom under the key leave scheme but that they should not be entitled to return to India, on the ground that the scheme's main purpose was to conserve the efficiency of man-power in this country. In March 1944 the Defence Department stated that they were in communication with the Secretary of State regarding this point and were pressing for permission for families to accompany (homewards only) individuals travelling under the key leave scheme. In April 1944 all National Service Advisory Committees were informed that the Secretary of State regretted that wives and children must continue to be excluded from the scheme altogether. The National Service Advisory Committee pointed out that the Secretary of State was labouring under a misapprehension if he thought that accommodation homewards presented as great a problem as that outwards, and that in practice a wife without priority often succeeded in sailing before her husband who was on the priority list.

An additional issue was raised by the Defence Department when they notified the National Service Advisory Committees that they proposed dividing accommodation on transports into two categories according to the importance of the individual, these categories to be decided by the Department itself. The

National Service Advisory Committees were required to supply the Defence Department with information as to the position and pay of any individual when applying for a passage. The Bombay National Service Advisory Committee strongly deprecated the proposed differentiation in passenger accommodation and the matter was subsequently dropped.

In September 1944 the decision excluding wives from accompanying their husbands on the key leave scheme was finally reversed, but children were still not catered for. In November, however, a further notification was received from the Defence Department stating that wives and families would be allowed to accompany their husbands but that the family was to be limited to husband, wife and two children. The question of limiting the family to two children was immediately taken up by the Bombay National Service Advisory Committee who pointed out its absurdity. Later in the month this provision was also withdrawn.

The National Service Advisory Committee have been constantly pressing for an increase in the number of priority passages allotted to this area and it is understood that the number was likely to be increased materially in the near future.

PASSAGES FROM INDIA TO THE UNITED KINGDOM.

(*See Report* 1943, *page* 60.)

In November 1944 the Associated Chambers of Commerce of India forwarded to the Chamber a copy of a letter that had been received from the Defence Department of the Government of India, forwarding a skeleton scheme giving the lines on which it was suggested that passages between India and the United Kingdom should be regulated until such time as the shipping situation returned to normal. After discussion with the various Chambers of Commerce, National Service Advisory Committees and the European Association the following Press Note was issued :—

Until such time as shipping conditions return to normal it is necessary that all passages to the United Kingdom must be controlled by the Government of India.

A scheme to put this into effect is now being prepared, the object being to ensure that the more urgent cases receive priority over others.

In the meantime, in order to bring all passengers on to one central list persons wishing to proceed to the United Kingdom must apply in all cases to the Officer on Special Duty, Defence Department, New Delhi, either direct or in the case of Government servants through the usual Government channels,

for allotment for passages, whether they have applied to Travel and Shipping Agents or not. Those who have already been registered in the Pooled List for commercial passages maintained in Bombay by the Shipping Companies will be given special consideration within the categories under which their passages are claimed.

Existing priority categories are as follows :—

1. Government servants on duty, and non-officials travelling on Government business.

2. Medical certificate to the effect that an early passage ex-India is necessary to save life or reason.

3. Persons travelling for a purpose certified by Government to be essential to the War effort or to be of national importance, including persons joining appointments likewise certified to be essential.

4. Medical certificate to the effect that an early passage ex-India is necessary if serious and permanent impairment of health is to be avoided.

5. Government servants recruited from the United Kingdom on contract guaranteeing repatriation, whose contracts have expired or been terminated, and who do not qualify for (3) above.

6. Education.

7. Retiring Civilians (official and non-official) and their families.

Applications for passages on extreme compassionate grounds will be considered on their merits, and take precedence accordingly.

Persons not included in any of the above categories will also receive consideration after the demands under the above have been satisfied.

Applicants must state the month in which passages are required and must be prepared to accept them on any date during that month if offered. No application will be considered earlier than three clear months before that in which the applicant wishes to sail. If it is not possible for the Government of India to allot a passage in the month in which it is required, the applicant will maintain his position on the Priority List.

Persons who refuse the accommodation offered without giving satisfactory reasons will be struck off the Priority List.

After a person has been informed by the Defence Department, Government of India, that a priority passage has been allotted, he will in due course receive further information and instructions from the Shipping Companies Agents direct or through his Travel Agents. The responsibility of the Government ceases with the allotment of the priority, except that the Assistant Officer on Special Duty, Secretariat, Bombay Castle (Top Floor), Bombay, must be informed of any change of address.

Applications for passages must be submitted to the Officer on Special Duty, Defence Department, Government of India, New Delhi, giving the following particulars. Those already submitted to the Government of India need not be submitted again.

These instructions do not apply to persons going to the United Kingdom under Key Leave Scheme, which will continue to be administered on the same lines as at present.

Passage rates vary from £63 to £90 per adult and passengers must be prepared to accept any accommodation within this range, if offered.

Particulars Required by the Government of India.

Name.

Address.

Nationality.

Age.

If wife accompanying, name.

If children accompanying, name, age, sex, and also particulars of other dependents.

Physical disabilities, if any.

Month in which passage required.

Whether prepared to accept a passage in an earlier month if offered and in which month.

Class of passage required.

Responsibility for payment.

Name of Travel or Shipping Agent to be employed.

Whether already registered with a Travel or Shipping Agent. If so with whom.

Whether on the Pooled Waiting List maintained in Bombay.

Reasons why journey is necessary, and category under which Priority is claimed.

RELEASE OF PERSONNEL FROM THE SERVICES.

In view of the fact that the majority of applications from business houses for the release of certain of their employees from the Services, had been refused by the Defence Department of the Government of India, a letter from that Department explaining the criteria applying to applications for release was circulated among members on the 11th October, 1944. The principal points of this letter were as follows :—

" Government have been asked to explain further the criteria which they apply to applications for release. There is really only one criterion, namely, whether after taking all the circumstances into consideration a man will be of more use to the war effort if released than if retained in the armed forces. It may, however, help Committees and firms affected to understand decisions reached if the factors which determine the Army's attitude to an application are explained. It is of course, to be understood that the decision rests with Government, not with General Headquarters, but the needs of the Army must necessarily carry weight.

It is essential, in view of the continuing shortage of officers, that releases from the Army should be kept down to the absolute minimum. In this connection, the War Office have indicated that they are not prepared to replace any man released in India, and as opportunities of fresh recruitment in this

country are few any release means a dead loss to the Army. It must be appreciated that even if a man whose release is asked for is engaged in work for which it appears that a substitute with suitable qualifications could readily be found, his release may involve a chain of movements which leaves a job somewhere with no one to fill it.

Fit men in the younger age groups are of particular value to the Army. The Army would not, therefore, ordinarily be willing to release a man under 40 years of age. They are, however, prepared to waive the age limit in exceptional cases, but would generally oppose the release of specialists and individuals holding especially important employment in the Services."

The Bombay National Service Advisory Committee addressed the Defence Department suggesting that a long-term view required the release of personnel on broader grounds than those at present permitted and, therefore, on a much more generous scale. Whereas the war three years ago was a struggle for survival, it had now reached a stage when post-war problems could be taken into consideration without any undue complacency. The Bombay National Service Advisory Committee did not consider that the issue as raised should be regarded as the sole concern of the Defence Department. There was no suggestion that "business as usual" should be the aim but it was considered imperative that the existing staff of firms should be strengthened against the time when the United Kingdom started exporting to India and when British industries in India were faced with the necessity of competing in the open market with fully staffed Indian and foreign concerns.

Following this representation a further letter was received from the Defence Department addressed to all National Service Advisory Committees in the following terms :—

"It has been represented to Government that their letter of 11th October, 1944, may make Committees even more chary of recommending release than they were before, and that its insistence on the necessity of keeping releases down to the minimum is very discouraging to hard-pressed firms which have carried on with inadequate staff throughout the years of war. In view of this, and because it may prove helpful to have a comprehensive restatement of Government's policy towards releases, Government think it desirable that this further letter should issue to make the position as clear as it can be made at present. It will necessarily contain some repetition of previous letters on this subject.

Government fully appreciate the importance of the British business community in India, the strain under which that community is and has been working, and the difficulties in which it is placed by the increasing number of casualties, the increasing volume of work, and the need to look ahead to post-war developments. They naturally wish to do everything possible to make the situation easier by releasing the maximum number of personnel which the successful prosecution of the war permits.

They must, however, place the successful prosecution of the war first, and they have no doubt that the British business community on their side fully appreciate the necessity of doing so and the limitations which this necessity must impose on releases of personnel from the armed forces. There

is, therefore, only one criterion which Government can for the present recognise as governing applications for release, namely, whether after taking all the circumstances into consideration a man will be of more use to the war effort if released than if retained in the armed forces.

It has been urged upon Government that a second criterion should also be recognised, that is the necessity of a man to a British firm's post-war development in India. Government realise the force of the considerations which impel this request. But the plain fact is that there are not enough men to go round, and till the position eases Government must maintain the position that value to the war effort must be the sole criterion. Government has always to bear in mind that the armed forces, on whose efficiency all else depends, are themselves suffering from a shortage of officers, and, so far as the Army is concerned, the War Office have indicated that, until the end of the war with Germany, they are unable to replace any man released in India. As fresh recruitment of British personnel in this country must be very small, any release, therefore, means a dead loss to the Army. It will be appreciated that, even if a man whose release is asked for is for the time being engaged in work for which it appears that a substitute with suitable qualifications could readily be found, he may be earmarked for some future requirements, or his release may involve a chain of movements which leaves an essential appointment somewhere with no one to fill it. From the services point of view, therefore, it is impossible at present to release any considerable number of officers without grave detriment to their efficiency, and Government, with which the responsibility for a final decision rests, cannot effect release unless the sole criterion referred to above is satisfied. Government will, of course, keep under constant review the possibility of adopting a more liberal policy, and they hope, though they can give no assurance, that the end of the war in Europe, assuming that it precedes the end of the war in the East, may enable them to give some further measure of relief. But for the present, after full consideration, they are convinced that they can go no further.

While they feel bound to make it clear that releases must still be strictly limited, however, unpalatable this necessity may be, Government do not in any way wish to discourage Committees from recommending what they consider to be good cases for release, even if they feel that the success of the application is improbable. They have already asked, in para 6 of this Department's letter under reference, that *all* applications for release should be forwarded to Government, whether they are recommended or not, and that recommendations should not be influenced by the consideration whether they are likely to evoke a favourable response from the services authorities. They think it desirable to reiterate this, in case paras 2, 4 and 5 of the letter under reference, which still hold good as indicating the considerations which influence the Army's attitude, should have given a different impression. The points on which Government wants the advice of Committees are, as stated in this Department's letter No. F. 20/6/MP of the 17th February 1944:—

(*a*) whether the work for which release is sought is essential to the war effort,

(*b*) whether the existing staff of the firm concerned is inadequate to perform such essential work, and

(*c*) whether the person whose release is sought is a suitable reinforcement.

Committees have not been asked to consider, or to base their recommendations on their opinion, whether the work for which a man's release is sought is of more value to the war effort than his employment in the armed

forces. That is a question which must of necessity be reserved for the decision of Government. There is, of course, no objection to Committees expressing their opinion, but their recommendations should be based solely on their answers to (*a*), (*b*) and (*c*) above.

Hitherto, when Government have received a recommendation from a Committee, they have considered it and communicated their decision to the Committee without, ordinarily, further consultation with the Committee or the firm concerned. It has been suggested to Government that, in cases where Government take the view that an application must be rejected, some firms would welcome an opportunity to put their case to Government's representatives personally or by proxy. Government are anxious to meet this suggestion if, as they believe, its adoption would give general satisfaction, but the best way of doing so needs consideration and, in order to explain what Government would propose, it is necessary first to explain how recommendations received from a Committee are dealt with inside Government. In cases where the Committee does not recommend release, the Defence Department ascertain whether any other Department nevertheless wishes to recommend release in its own interests, and if the answer is in the negative, the application is ordinarily rejected without further examination. Government think that in such cases anything in the nature of an "appeal" by the firm concerned would, unless new circumstances had arisen since the application was made (in which case a fresh application for release should be made to the N.S.A.C.), be infructuous and should not therefore be provided for. In cases where the Committee does recommend release, the Defence Department first ascertains from the branch of the service concerned what work the individual is doing in the armed forces, and then asks the Department interested in the work for which release is sought whether it considers that the work for which release is sought is more important to the war effort than the work of the individual in the armed forces and whether it therefore supports the application. If the Department does not support the application, the application is ordinarily rejected without further examination since it must be presumed as a general rule that if the work for which release is sought is really of value to the war effort it must be in the interest of a Department of the Government of India to support release unless it is apparent that the work of the individual in the armed forces is even more important. In this case also, Government consider that an "appeal" not supported by a Department would be infructuous, and should not be provided for. If a Department does support the application, and the service branch concerned is nevertheless unable to agree to release, the case is referred to a Committee comprising the Defence Secretary, the War Secretary and the Secretary of any other Department interested in the application. If this Committee is unanimous, its decision is taken as final, in the event of disagreement, which has not hitherto occurred, provision exists for referring the case to H.E. the War Member for a final decision. Cases which come before this Committee are necessarily difficult and nicely balanced and Government think that provision for an "appeal" in this class of case would be useful to all parties. In their view, the most convenient course would be for the Committee's decision in such cases to be communicated to N.S.A.C.'s as a provisional decision, leaving it open to the firm concerned to "appeal" within, say, a month if it so desired, failing which the decision would be confirmed. If a firm "appeals," it will be asked to represent its case before the Secretaries' Committee.

For the present, therefore, Government propose that an "appeal" should be only in cases considered by the Secretaries' Committee as described above, and they will henceforth act accordingly. They believe that it will be accepted that in the light of the considerations explained in this letter, an "appeal" in other cases would be unlikely to serve a useful purpose, while it might throw a considerable additional burden on Government

besides unprofitably diverting the energies of the firms concerned, but they will welcome any comments you may wish to make on the preceding paragraph of this letter.

ADMISSION OF WOMEN INTO INDIA.

The following notice regarding the admission of women into India was published by the Government of India on the 3rd January 1944 :—

" For some time past the war situation has made it necessary to restrict the admission of non-Asiatic women into India. The Government of India know that this has caused hardship and disappointment, and they have always kept in mind the need for relaxing this restriction so far as circumstances allow. They are now able to state the policy which will be adopted till further notice.

" What follows does not apply to families of Navy, Army and Air Force personnel, regarding whom special orders are being issued by the service authorities, or to women coming to India in Government service.

(1) Women and children of European British nationality will not be given travel facilities for India until the permission of the Defence Department of the Government of India has been obtained in the manner described below.

Foreign women and children require a *visa* to enter India. The principle which follow will apply generally to grant of *visas* for foreign women as well as grant of permits for British women, but applications for *visas* will continue to be made as at present. The grant of a *visa* will signify the permission of the Government of India for the purposes of this notice.

(2) Women and children wishing to come to India from the Dominions, Colonies and foreign countries will ordinarily be given permission, unless there are special reasons to the contrary, if they are joining a husband or guardian or appointment offering normal support and protection which can be expected to continue during the war. Applications for permission should be made by the husband, guardian or employer in India to the Secretary, Defence Department. (In the case of foreign women, application for a *visa* will be treated as including application for permission to enter.) Applications should contain all material available to show that the case meets the conditions mentioned above.

(3) It is unfortunately impossible to permit entry from the United Kingdom and Eire on the same conditions. Other circumstances apart, there is extreme pressure on shipping space and a comparatively very large number of applicants. The number of women who could secure passages must therefore in any event be very small indeed, and the selection of the most deserving cases must clearly be very difficult. The Government of India believe, however, that those concerned would prefer every effort to be made to use such scanty opportunities as may offer, and would agree that hardship should be the criterion for determining priority. They are therefore willing to consider applications as follows, while emphasising that the chances of a passage being obtained in an individual case must be reckoned as extremely slight.

(4) Husbands wishing to bring their wives and families from the U.K. and Eire or fiancés wishing to bring their fiancees, may apply on their behalf

if they satisfy the conditions mentioned in (2) above and if in addition there are special grounds of hardship to support a claim to a priority. Such grounds may include financial difficulties, length of separation, health, etc. Applications on behalf of young families apart from wives will not be considered.

(5) All applications under paragraph (4) should be addressed to the Secretary, Defence Department, and should reach him by 1st March 1944. They will then be considered by a Committee set up by the Government of India, which will decide the order of priority of individual cases, and make recommendations to His Majesty's Government accordingly. (This Committee will also consider applications on behalf of Navy, Army and Air Force families in the United Kingdom, so that civilian and service families will be treated on the same footing. In the case of service families the applications will be submitted by the head of the family through normal service channels. No application will be submitted until service orders on the subject have appeared. To ensure that all cases should have an equal chance, no recommendation will be made before the date mentioned above. Applications received after that date will be considered on their merits."

AIR PASSAGES TO AND FROM THE UNITED KINGDOM DURING THE IMMEDIATE POST-WAR PERIOD.

Business Community's Requirements.

At the instance of the Associated Chambers of Commerce of India the Chamber in July 1944 undertook to collect particulars of the probable number of air passages to and from the United Kingdom that would be required by members during the immediate post-war period, with a view to assisting the British Overseas Airways Corporation in carrying out a survey of the business community's requirements. Fifty-six members replied to the Chamber's circular and it was estimated that over the first 24 months after the war 603 homeward passages would be required whilst 607 outward passages were estimated as necessary during the first 30 months after the war. In communicating the above information to the British Overseas Airways Corporation the Committee pointed out that the figures could at best be regarded only as approximate and must be dependent on conditions prevailing at the time. Two factors materially affecting the number of passages required would be the return of men from His Majesty's Forces and the comparative cost of sea passages.

The Committee also drew attention to the very high cost of the return fair, viz., £326 and pointed out that this would make the air trip prohibitive for many individuals and in particular families.

Subsequently the Associated Chambers of Commerce intimated that the President had been advised by the Corporation's Headquarters in India that a decision on the fare policy to be

adopted had been reached in the United Kingdom and instructions had been received by them to base all enquiries on the assumption that *approximate* pre-war fares would be charged.

The following was the schedule of the cost of fares on the above basis :—

PASSENGER FARES.

A. To EGYPT.

	SINGLE FARES.			RETURN FARES.		
From	*Pre-war.*	15% *Increase.*	15% *Decrease.*	*Pre-war.*	15% *Increase.*	15% *Decrease.*
	£	£	£	£	£	£
Calcutta ..	60	69	51	108	124	92
Delhi ..	55	63	47	99	114	84
Karachi ..	50	58	43	90	104	77

B. To U.K.

	SINGLE FARES.			RETURN FARES.		
From	*Pre-war.*	15% *Increase.*	15% *Decrease.*	*Pre-war.*	15% *Increase.*	15% *Decrease.*
	£	£	£	£	£	£
Calcutta ..	95	109	81	171	197	145
Delhi ..	90	104	77	162	186	138
Karachi ..	85	98	72	153	176	130

A fresh circular was accordingly issued to all members enquiring whether, in the circumstances, those who had submitted estimates of their passage requirements, desired to revise them and requesting the others who had not previously submitted returns, to do so. Only three members revised their figures and 12 new applications were received. These increased the estimate of possible homeward passages to 665 and outward to 660.

RESTRICTIONS ON PASSENGERS' BAGGAGE AND GIFT PARCELS TO TROOPS SERVING ABROAD.

Early in August 1944 the Committee addressed the Commerce Department of the Government of India in connection with War Notice No. 619 issued by the Export Trade Controller, Bombay, on the 3rd July 1944 prescribing the articles which might be treated as constituting *bona fide* baggage of passengers leaving India.

In the first place the Committee enquired as to the reason underlying the promulgation of these restrictions. They felt that in view of the action taken by the Ministry of War Transport in limiting the amount of baggage each passenger might take on

board and the extreme shortage of essential personal effects in the United Kingdom any restrictions on the articles which a passenger might take with him seemed uncalled for. There were many incongruities in the list, particularly in respect of (*a*) the quantity of a particular article that a family may take, and (*b*) the regulations requiring that the articles must have been in use for at least a year. The Committee mentioned two cases. No matter how large a family might be only one bicycle was allowed per family. They pointed out that bicycles were almost unobtainable in England and they would be very necessary for people going to the United Kingdom to live in parts of the country where other transport was not readily available, apart from the fact that even in places where transport was available bicycles relieved a strain on public transport. Again in respect of spectacles, if a man had taken to the use of spectacles only a few months before sailing he would not be allowed to take them with him unless he went through the formality of obtaining an export permit or licence. A man might not also take a spare pair of spectacles with him.

The Committee further pointed out that there were many items which ought obviously to be included in the list, e.g., dentures, umbrellas, cameras, typewriters, to quote only four, and it was suggested that polo sticks and ski-ing outfits might well be excluded in war time.

The Committee recommended that the notification should be withdrawn as it seemed to be an unwarranted imposition on *bona fide* travellers.

Arising out of this question, the Committee referred also to a Notice dated the 17th April 1944 of the Indian Posts and Telegraphs Department in which it was stated that it had been decided by the Commerce Department of the Government of India that subject to certain conditions no export licence would be necessary for the despatch of occasional gift parcels to Indian and British troops serving abroad, by their friends and relations in India. The conditions laid down, *inter alia*, that the parcels should contain only mustard oil, religious emblems, small items of clothing, sweetmeats and toilet requisites. They also laid down that these articles should be of Indian origin and manufacture. It appeared to the Committee that when drawing up the list Government had in mind the Indian soldier only although the restrictions were made to apply to gift parcels for both British and Indian troops. It seemed apparent from the nature of the articles specified and the fact that they must only be of Indian origin that the interests of British officers in the Indian Army had been inadvertently overlooked.

The Committee expressed a hope that the list would be extended so as to permit small suitable gift parcels being sent by relatives or friends in India to British troops abroad.

The Government of India in reply stated that the object of the restrictions was to ensure that articles carried as baggage were restricted to those genuinely forming part of a passenger's personal equipment. The opportunity of the journey was not to be utilised for the purpose of carrying additional supplies abroad, in contravention of any existing export control restrictions. There were several items of consumer's goods which were in short supply in India and which had to be imported from abroad to satisfy essential civil requirements in India and it was obviously undesirable to encourage the unregulated export of these articles as passenger's baggage. Government pointed out that it was impossible to formulate rules to cover every individual case or article and the notice issued by the Export Trade Control was intended to afford a guide to passengers as to the nature of articles which would be passed as *bona fide* baggage without export licences. The Export Trade Controller and Customs Officers had been given discretion to pass articles not specified in the notice if the passenger was able to satisfy them that the articles had not been purchased merely for the purpose of export and in excess of his personal needs.

In regard to the reference made by the Chamber to the Postal Notice of the 17th April 1944, concerning the despatch of gift parcels to troops serving abroad, Government stated that the concessions contained therein were granted for the benefit of Indian troops serving abroad whose friends and relatives lived in remote villages in India and were generally illiterate. It was not the intention that the interests of British officers should suffer. Applications for export of gift parcels to them would be considered sympathetically by the Export Trade Controller concerned. The inclusion in these parcels of goods originally imported into India was prohibited in order to conserve supplies of consumer's goods which were in short supply and for the import of which special steps had to be taken by the Government of India.

REQUISITIONING OF OFFICE PREMISES ON BEHALF OF GOVERNMENT.

(*See Reports* 1942, *page* 36 ; 1943 *page* 45.)

In exercise of the powers conferred by sub-rule (1) of Rule 75A of the Defence of India Rules, the Department of Industries and Civil Supplies of the Government of India served notices on two members of the Chamber on the 4th February and on one on the 7th February 1944 to vacate the premises occupied by them by the 15th February, and to hand over the premises not

later than that date complete with all fittings and furniture, in order to provide accommodation for the Controller General of Civil Supplies who had received instructions to transfer his organisation from New Delhi to Bombay.

As the Committee considered the notices given in these cases to be most unreasonable and as it was physically impossible for the companies concerned to comply with the order, they took the matter up with the Joint Secretary to the Government of India, Department of Industries and Civil Supplies and the Controller General of Civil Supplies, but these officials merely stated that the very most they would be prepared to agree to was an extension of one week, say, until the 22nd February. The Committee accordingly telegraphed to the Honourable Member for Commerce of the Government of India and requested that the requisitioning orders should be withdrawn immediately, and suggested that in view of conditions prevailing in this city any additional accommodation required by Government should be found either in existing Government buildings or outside the business area or by Government undertaking fresh construction.

The President also interviewed the Adviser to His Excellency the Governor and the General Officer Commanding, Bombay District, on the subject and was subsequently informed that as a result of the action taken the proposed requisitioning was not being proceeded with.

All members were advised to notify the Chamber immediately if they received letters or orders in respect of the requisitioning of premises they either owned or occupied.

DELAYS IN RELEASING OR TAKING UP BY GOVERNMENT OF FROZEN GOODS.

(*See Report* 1943, *page* 44.)

A number of complaints were received from members of the Chamber to the effect that the policy of Government in getting consumer goods into consumption as promptly as possible was being considerably interfered with owing to the Supply Department freezing goods on their arrival in India and failing to take them up within a resonable period. In addressing the Department of Supply of the Government of India to this effect, in August 1944, the Committee quoted concrete examples of goods still not taken up and pointed out that these goods were requisitioned for securing the efficient prosecution of the war and for maintaining supplies and services essential to the life of the community, and it was felt that such inordinate delay in either taking up these goods for essential Government use or releasing them for civil consumption was unjustifiable. The Committee requested that steps should be taken to remedy the position.

The Department of Supply replied in November 1944, that investigations had been made in the cases reported and the majority of the unallocated items had since been released to the firms concerned.

On the general issue raised by the Chamber the Department pointed out that they reserved only a portion of the total import consignments to meet the essential demands of the Defence Services and other Government indentors. Moreover, every importer was at liberty to submit pre-sold applications along with Import Schedules when reporting to the Directorate General concerned arrivals of fresh consignments.

It was not always possible to forecast exactly the demands for imported goods of the various indentors who obtained their requirements through the Supply Department, and so it sometimes happened that reservations were made by the Directorates General which were not taken up within a reasonable period. Moreover, it was at times necessary to keep certain quantities of imported stores reserved for a fairly long period because of the considerable intervals between imports of these items, and if no reservations were held, it would not be possible to meet emergent demands. It was added that the Department were anxious to reduce the delay as much as possible, and that their Directorates General were and had always been prepared to entertain any complaints that might be received from any firm affected by the freezing or requisition orders issued by them.

GOODS IMPORTED BY GOVERNMENT.

Protection of Trade Mark Rights.

In June 1944 the Associated Chambers of Commerce of India requested the views of this Chamber on a suggestion of the Bengal Chamber that the Government of India should be urged to regularise the position of trade mark rights in respect of goods imported by Government by the introduction of emergency legislation for the protection of manufacturers in India on the lines of Statutory Rule No. 746 amending Regulation 7 of the Defence (Patents, Trade Marks, etc.) Regulations 1941 which was brought into force in the United Kingdom in 1943. The Bengal Chamber drew attention to the unsatisfactory position—largely experienced by members of that Chamber—of manufacturing concerns operating in India, who found themselves open to infringement of their trade mark rights because of the importation by Government, through Government channels and frequently under Lease-Lend arrangements, of goods produced by associated factories in other countries, in order to meet requirements which the firm in India was not able to satisfy.

The Chamber understood that in normal times the protection of trade mark rights was made possible by an arrangement commonly existing between associated concerns in India and abroad, whereby the export of goods to this country could only take place by express agreement ; in the present emergency, when the increased requirements of Government were obtained direct from various sources, such control could not be exercised and in the absence of legal protection against the infringement of trade mark rights with respect to goods consigned to or vested in Government, the position must remain uncertain and insecure.

The Committee supported the proposal, and were subsequently informed that the Associated Chambers had addressed the Commerce Department of the Government of India recommending that the position should be regularised by the introduction of emergency legislation on the lines of Statutory Rule No. 746 amending Regulation 7 of the Defence (Patents, Trade Marks, etc.) Regulations, 1941.

The Government of India, however, in reply stated that paragraph (2A) of Regulation 7 of the United Kingdom Defence (Patents, Trade Marks, etc.) Regulations, 1941, was intended to protect rights in relation to trade marks and forms of get-up from being impaired in consequence of the provision contained in paragraph (2) of the Regulation. In India there was no statutory provision on the lines of Regulation 7(2), nor had the necessity for such legislation been felt so far. In the absence of any such enactment, the Government of India were not convinced of the need for adoption of legislation on the lines of the U.K. Statutory Rules and Orders, No. 746 of 1943, especially when they had had no evidence so far to show that the normal safeguards contained in the Trade and Merchandise Marks Acts had either proved insufficient or could not be invoked to protect existing trade marks rights.

DISPOSAL OF SALVAGE.

Early in November 1943 a letter was received by the Chamber to the effect that a Directorate General of Salvage and Disposals had been formed under the ægis of the Department of Supply and towards the end of that month Brigadier R. M. Sassoon, the Director of Salvage and Disposals, had an informal discussion with the President of the Chamber. In February 1944 the Committee addressed the Department of Supply and stated that they understood that a very large amount of salvaged goods which had since been collected at the Sewree Depot was being disposed of by auction after advertisement in the local papers. In this connection the Committee drew attention to the findings of the special Committee appointed by the London Chamber of Commerce who had considered measures necessary to deal with

surplus stores in the United Kingdom. The main recommendation in this document was that in order to eliminate speculative profit, Government was urged to entrust such work on the basis of a commission sufficient to cover cost to non-profit-making companies specially set up for this purpose.

The Committee strongly endorsed this view, as they considered it was essential for the disposal of salvage that it should be in the hands of a non-profit-making concern specially set up for this purpose and, moreover, a concern which could hold stocks and release them to the market from time to time through recognised trade channels.

The Committee considered that there should also be included in such a concern advisory panels composed of representatives from both trade and industry.

They pointed out that there was already a flourishing black market in existence and the auctioning of valuable goods, which were in short supply, to bazaar dealers which was in fact what was taking place under the existing procedure, merely increased this problem. The Committee therefore urged on Government that immediate steps should be taken to set up a body to deal with the sale of existing salvage and also of surplus stores after the conclusion of hostilities, on a basis similar to that outlined in the report of the London Chamber of Commerce.

In reply the Government of India stated that the nature of war-time salvage was not in their opinion such as to make it necessary or desirable to set up a special corporation for its disposal. The question of the manner of disposal of various categories of surplus stores, which would be a problem of increasing importance as the end of the war approached, was under active consideration. The method of such disposal might well vary for different classes of goods and the desirability of setting up for suitable items such a non-profit-making body as was contemplated by the special Committee of the London Chamber of Commerce would be borne in mind.

Towards the end of November 1944 the Government of India, Department of Supply (Main Secretariat), New Delhi, forwarded to the Chamber a copy of a memorandum No. D-1 (38)/44, dated 13th September 1944, in which it was intimated that the Governor General in Council had decided to constitute under the Hon'ble Member for Supply a Disposal Board consisting of the following members who would be the authority to control all disposals operations and to deal with questions of policy arising in connection with the disposal of surpluses.

1. Secretary, Supply Department (*Chairman*).
2. Secretary, Industries and Civil Supplies Department.
3. Secretary, War Department (as required).

4. Secretary, Commerce Department.
5. Secretary, Planning and Development Department (as required).
6. Secretary, Defence Department (as required).
7. Secretary, Food Department (as required).
8. Financial Adviser, Military Finance.
9. Master General of the Ordnance.
10. Head of the Ministry of Supply Mission in India.
11. Director General (Disposals).

A Joint Secretary to the Government of India in the Supply Department (Main Secretariat) would act ex-officio as Secretary to the Board. The Board would have a small Secretariat under its Secretary and would carry on business through an executive organisation under the Director-General (Disposals).

The main principles governing the disposal of surplus stores would be :—

(i) To release stocks at a rate which while fast enough to get the goods into the hands of consumers where they were most needed would not cause the internal market to be so flooded that there were adverse repercussions on internal economy or production plans.

(ii) To ensure that the goods were sold to the ultimate consumer at prices which were reasonable in comparison with current prices of similar articles, and to prevent an unnecessary number of intermediaries or profiteering by middlemen.

(iii) As far as possible, to use the normal trade channels for distribution with a view to ensure that the usual traders or manufacturers as well as the ultimate consumers in different parts of the country got their fair share of the quantities available.

(iv) To consider the requirements of the Government of India, the Provincial Governments and the States for their own use, before the release of any goods to the civil market.

It was pointed out that in order to carry out this policy, the continuance of certain war-time controls might be found necessary and recommendations in that regard should be made by the Disposals Board to the Government.

The Committee of the Chamber urged the advisability of including amongst the members of this Board representatives of non-official organisations.

INJURY OR DAMAGE CAUSED BY ARMY DRIVERS WHEN ON DUTY.

(*See Reports* 1941, *page* 46; 1942, *page* 35.)

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1941 the following resolution, which was moved by the Bombay Chamber and seconded by the Bengal Chamber, was adopted unanimously :—

"This Association urges upon the Government of India the necessity of introducing adequate measures to enable the public to recover compensation from the military authorities when accidents are caused by the negligent or improper driving of military drivers in course of their duty."

As a result of this resolution, certain measures were introduced by the Army Authorities to meet the Chamber's point. Courts of Enquiry were held by local Military authorities to investigate the responsibility for all the accidents caused by military drivers. The Chamber was informed that all attendant circumstances, available documents, etc., e.g., condition of the road, nature of weather, experience of the driver, police and hospital reports, and, if any, evidence of eye-witnesses, etc., were taken into consideration before arriving at a decision, and that if in the opinion of the Court of Enquiry and the authority competent to sanction compensation the military driver was at fault and the third party not to blame at all or was only partially to blame, *ex gratia* payments were invariably made without prejudice and with a denial of legal liability on the part of the Crown. It was also stated that the amount of compensation to be paid was determined in consultation with the local civil authorities with reference to the monthly earning capacity and social status of the claimant. In practice, however, this was not always the case, as instances were brought to the notice of the Chamber in which compensation had been refused even when recommended by the Court of Enquiry and extremely inadequate compensation was granted in other cases.

In one of the former types of cases it was mentioned that the claimant was informed that " it must be borne in mind that no compensation is normally admissible unless it has been ascertained that the driver of the military vehicle was to blame and that the civil car was not insured."

The Committee considered the existing state of affairs as highly unsatisfactory and were of opinion that it might be helpful to the public if a non-military element were to be introduced into the Courts of Enquiry, who should in addition to apportioning blame, include in their findings the assessment of compensation to be awarded.

The Committee accordingly put forward the following resolution at the annual meeting of the Associated Chambers held on the 14th December 1944 :—

" In view of the fact that accidents are still being caused by negligent and improper driving by Service drivers in the course of their duty and the failure of the Military authorities to ensure that adequate compensation is granted, this Association again urges upon the Government of India the necessity for the immediate introduction of measures which will enable the public to obtain adequate compensation for injuries or damage suffered.

" This Association is of the opinion that Government should forthwith declare that they will provide the Funds required to satisfy any judgment of a civil court obtained against the driver of a Government vehicle, if on duty at the time of the accident.

" The Association is further of the opinion that Courts of Enquiry, set up to investigate accidents in which Service and Civilian vehicles and/or persons

are concerned, should invariably include one civilian, preferably non-official, either as a member thereof, or if this is not possible under military law, then as an observer and further, that an injured person, in any case, be entitled to be represented at such Courts of Enquiry."

CARGO IN ENEMY SHIPS IN NEUTRAL PORTS.

(*See Reports*, 1939, *page* 36; 1940, *page* 33; 1941, *page* 29; 1943, *page* 6.)

It will be remembered that the Joint Committee of Cargo Owners and Underwriters, which was set up to conduct legal actions to secure the release, on reasonable terms, of cargoes from German ships taking refuge in neutral ports, instituted proceedings against the Captain of the s.s. "Braunfels" at the port of Marmagoa.

The action was successful in both the Lower and Higher Courts, judgment in favour of the cargo owner concerned being given by the Vasco Court and confirmed by the High Court at Nova Goa. The German Captain, however, appealed to the supreme court in Lisbon, and the Joint Committee was faced with the problem of deciding whether it was justified in instructing its representatives to put in an appearance at Lisbon and incur further costs on behalf of cargo owners.

It seemed regrettable to the Joint Committee that, having won in the lower courts and established in the Portuguese Courts the important principle that there was no case for General Average as there was no common peril, the case should go by default. On the other hand, the following facts had to be taken into consideration :—

(1) Since the action was started, the three German vessels in the port of Marmagoa had been set on fire and scuttled and most of the cargo was lost beyond recovery.

(2) The value of the cargo landed at Marmagoa and registered with Cox & King (Agents) Limited was only worth £22,000. Against this had to be set the Railway Company's charges for storage, etc., amounting to £10,000.

(3) Judging from past experience of appeals to Lisbon from colonial courts, it seemed possible that, after much expenditure and delay the case would be returned to Marmagoa for retrial, and finality would not be reached for a very long time.

After carefully considering the position, the Joint Committee decided that they would not be justified in incurring further expense at Lisbon. The Trading with the Enemy Department and the India Office were accordingly informed of this decision

and the Joint Committee's representatives in Bombay were instructed by cable not to enter an appearance at Lisbon and to regard the whole matter as closed.

In acquainting cargo owners with the position, the Joint Committee stated that it was unlikely that anything further could be done to assist British and Indian cargo owners to recover their cargo ex the s.s. "Braunfels," "Drachenfels" and "Ehrenfels" and the Joint Committee regretted that their efforts in the case of these three German vessels had not met with the success experienced elsewhere.

Messrs. Cox & Kings (Agents), Ltd., were therefore advised to communicate with cargo owners with a view to returning the shipping documents which were lodged with them when the cargo was registered under the London Chamber's scheme.

ENEMY PROPERTY EXEMPTED FROM VESTING IN THE CUSTODIAN OF ENEMY PROPERTY.

On the 9th September 1944, the Department of Commerce of the Government of India issued a Press *communique* drawing attention to the fact that on occupation of the enemy of the territories specified in the list below, the Government of India had issued orders exempting from the provisions of general vesting orders, the balances and other assets in India of persons and concerns resident in those territories (other than those of subjects of a State at war with His Majesty and concerns owned or controlled by such subjects). Hitherto the properties in question were not, therefore, required to be reported to the Custodian of Enemy Property.

Properties such as cash balances, gold and securities held by banks in India (other than properties of residents in Burma and the Andaman and Nicobar Islands) were, however, made subject to the freezing orders issued by Government from time to time and transactions in respect of such properties were possible only with the permission of the Reserve Bank of India.

Subsequently, and without prejudice to the freezing orders mentioned above, all persons and concerns in British India were authorised to have any commercial, financial or other intercourse or dealings with agents and branches in India of persons and concerns resident in the said territories.

The existing arrangement, however, did not fully safeguard the interests of the owners of the enemy properties in question and the Government of India accordingly issued an order (published in the *Gazette of India* dated 9th September 1944) requiring submission to the Custodian of Enemy Property, Bombay,

within two months from the date of that order, of returns in respect of property in India of persons and concerns resident in the said enemy-occupied territories in accordance with the provisions of the Enemy Property (Custody and Registration) Order, 1939. The disposal of such properties would require the sanction of the Reserve Bank of India, as a change in the ownership of the properties would involve a payment to or from the credit of a resident in a country covered by a freezing order which was prohibited under such an order. All transactions in respect of properties held by banks would also as heretofore require the sanction of the Reserve Bank of India as the freezing orders in respect of such properties were still in force.

Japanese-occupied China, including the International Settlement and French Concessions at Shanghai and British Concessions in China; Hongkong; Straits Settlements, Malaya, British Dependencies in Borneo; Netherlands East Indies; Channel Islands; that portion of Burma under Japanese occupation and the Andaman and Nicobar Islands.

In a letter which the Custodian of Enemy Property addressed to the Head Offices in India of all Scheduled Banks, he pointed out that all property in British India to which the above notification applied should be declared to the Custodian within a period of two months from the date of that notification, i.e., by the 9th November 1944.

The purpose of the returns called for was to enable a complete record to be maintained in his office of such enemy assets, including bank balances, and securities, held in India as were at the moment exempted from vesting in him. These returns were, therefore, not to be considered as releasing banks from their existing obligation to submit to the Reserve Bank of India the quarterly statements required by them under rule 92C of the Defence of India Rules.

In forwarding to the Chamber copies of the notification, Press *communique* and the letter referred to above, the Custodian pointed out that the instructions applied, *mutatis mutandis*, to all assets held in India by individuals or concerns on behalf of any person or bodies of persons (whether incorporated or not) resident in the territories specified therein.

VISIT TO THE CHAMBER OF THE MEMBER FOR DEVELOPMENT AND PLANNING.

The Hon'ble Sir Ardeshir Dalal, Member of the Viceroy's Executive Council for Development and Planning, visited the Chamber on the 29th November 1944 and had an informal discussion with the Committee on various aspects of the work of his Department.

POST-WAR INTERNATIONAL MONETARY FUND.

Towards the end of April 1944 the Government of India requested the comments and views of the Chamber on a statement of principles for an International Monetary Fund which had been published in the United Kingdom and America. It was pointed out that it in no way committed the Governments concerned and it was conceived as part of a general plan for international co-operation the objectives of which as a whole would be the progressive development of international trade, the maintenance of a high level of employment and reasonable stability of prices and the provision of machinery for orderly adjustment of exchanges.

The purpose of publication in this way and at this stage was to promote informed discussion in all quarters from which valuable guidance could be obtained by the Governments of the United Nations in preparation for the formulation in due course of their policies by the Governments concerned.

It seemed probable that a conference of representatives of these Governments might take place in America at a date earlier than had hitherto been anticipated. Representatives of all the United Nations, including India, would be invited to this Conference. The Government of India announced that they did not propose to undertake any commitments until an opportunity for discussion had been afforded to the Legislature.

The Committee informed the Government of India that they had no criticism to raise on the principles as enunciated in Chapter I which were impeccable. The difficulty had always been to formulate agreed measures whereby these highly desirable purposes and policies might be achieved, and it was here that differences had arisen.

The Committee concluded that the scheme as detailed represented the greatest measure of agreement which had been possible between the experts and the principal countries concerned, and noted that even this measure of agreement had meant important concessions by the British point of view to the American.

Nevertheless, in so far as this was a matter in which agreement and joint action were essential, the Committee were inclined to accept the scheme as set out (although it "in no way commits the Governments concerned"), as the most likely basis of agreement.

They saw nothing objectionable in the scheme from the Indian point of view and would favour Indian participation in further consultations, and if possible further developments of the scheme. Stable exchanges would be of great importance to India in the post-war period, particularly as she would emerge from the war a creditor nation.

POST-WAR INTERNATIONAL EXCHANGE PLAN.

In August 1943 the Finance Department of the Government of India made available to the public copies of the following pamphlets and invited the comments of Chambers of Commerce and others on the proposals contained therein :—

1. The British Government " Proposals for an International Clearing Union " ;

2. The United States " Proposal for a United and Associated Nations Stabilisation Fund " ;

3. " The Tentative Draft Proposals of Canadian Experts for an International Exchange Union."

In addressing the Government of India on the subject the Committee stated that the proposals so far made could conveniently be considered under two heads, namely :—

(*a*) The need for such an organisation and the general objects and advantages of it.

(*b*) The more detailed proposals of the several plans and the machinery for operating them.

The Committee did not think that any useful purpose would be served by their attempting to comment on the detailed proposals at the present stage. In any event before such detailed comment could be made it would be necessary first to make a careful study of all available data. Even then, in the uncertain and changing conditions of the present times opinions formed would in all probability require amendment before the conclusion of hostilities opened the way for general international collaboration in the field of commerce and finance. For example, the Canadian experts had considered the proposals on the assumption that Canada would be a creditor country on current account. India was already a creditor country and it was certain that her line of approach to the problem would be very different from what it would have been in, say, 1939.

The Committee therefore confined their comments to the broader issue of the needs and the advantages or disadvantages of such a scheme as a whole.

The economic chaos and upheaval caused by the present war was vastly greater than was the case in the 1914-18 war and there could be no doubt that the problems to be faced on the conclusion of hostilities in connection with rehabilitation, international indebtedness and the general reorganisation of international trade would be proportionately greater and more complex. The Committee therefore considered that it would undoubtedly be necessary to set up some organisation such as that now under

discussion, even if the only purpose it served was to act as an international "shock absorber." If this was not done there would, they considered, be indescribable chaos in the readjustment and realignment of the channels of international commerce, and in the result many countries would suffer not only in respect of their foreign trade balances but in their internal economy and general standards of life. To the extent that those countries, the debtor countries, suffered, the creditor countries would be adversely affected by inability to find the required markets for the surplus goods they would have for export.

It might be presumed that at the end of the war there would be some relaxation of the existing rigid controls over trade in general, but that modified forms of control over shipping and the supply of essential raw materials and manufactured goods would be in operation for some years more. Such controls if properly exercised in a reasonable spirit of co-operation by all countries would help to ease the difficulties of the transitional period. But they would be only temporary and by themselves insufficient for the needs of the situation. It would be the general desire that as soon as possible private enterprise should be freed of such war-time restrictions and international collaboration in the adjustment of trade balances, movements of capital and so on would then be necessary.

One of the objects of the clearing union would be to supplant gold as a governing factor in the adjustment of international indebtedness but not altogether to dispense with it. If only for this reason every effort should be made to establish the union, as it was abundantly clear that after the war many countries would be unable to discharge their debts and pay for necessary imports, otherwise than by the export of goods and services. A gold standard which was workable when the world's supply of gold was fairly widely distributed was no longer so with the greater part of that supply immobilised in the United States of America. Some substitute must be found, and in the opinion of the Committee there was no other practicable alternative to an international clearing union as envisaged in the proposals of His Majesty's Government.

The scheme did not remove from any State which joined the union the facilities it already had for obtaining payment for its exports, but the main difficulty, as the Committee saw it, would be to compel creditor countries to increase their imports. If this could not be done there would be continuing disequilibrium in international exchanges which no form of union would be able to rectify. The fact remained, however, that even in such circumstances an arrangement for multilateral clearing which the scheme proposed was infinitely preferable to bilateral clearings.

Creditor countries would want markets for their exports of raw materials and manufactured goods and they would have to face the indisputable fact that after this war many of the countries to which they previously sold their goods, and to which they would want to sell them again, would be able to make payment only by their own exports. The international exchange value of their currency would have to be based on their productivity—there would be nothing else on which to base it—and for the orderly adjustment of such indebtedness an "international clearing union" would be more than desirable, it would be essential. The American and Canadian proposals, the Committee considered, still attached too much importance to gold as a factor in the adjustment of international debts and for this reason they preferred the less rigid proposals put forward by His Majesty's Government in their "Proposals for an International Clearing Union."

POST-WAR RECONSTRUCTION.

RESETTLEMENT AND RE-EMPLOYMENT.

The underquoted copy of circular No. 17, dated the 13th March 1944, from the Associated Chambers of Commerce of India and its accompaniment are reproduced for purposes of record :—

I am directed by the President to invite the attention of the constituent Chambers to the subjoined letter of the 4th March and its accompaniment received from Mr. R. W. W. Turner (Attock Oil Co., Ltd., Rawalpindi) who is deputising during the absence of Mr. E. S. Millar as the representative of the Association on the Reconstruction Policy Committee on Re-settlement and Re-employment.

2. Constituent Chambers who are in a position to put forward schemes or recommendations for safeguarding the economic and social welfare of demobilised Indian soldiers, sailors and airmen after the war are requested to forward particulars to the undersigned for transmission to Mr. Turner and through him to the Policy Committee.

Letter referred to

As the Associated Chambers of Commerce representative, I attended a meeting of the above Committee held in the Council House, New Delhi, on the 29th ultimo and 1st instant and I now enclose for your information copy of the introductory speech by the Chairman of the Committee, Sir Firoz Khan Noon, K.C.S.I., K.C.I.E., Defence Member.

The meeting had unfortunately to be adjourned on the evening of the 29th ultimo on account of the Budget Session, but was resumed on the morning of the 1st when all Government officials from the various Provinces were asked to meet the Secretary of the Defence Department (Sir Charles Ogilvie) and submit to his department what had already been done or what it was proposed should be done in the various Provinces, on the questions of re-settlement and re-employment.

A general discussion thereafter took place, and the meeting concluded with a request from the Chairman that individual members should put forward any suggestions, which would be given full consideration at the next meeting of the Policy Committee.

I shall be glad to receive from your Chamber any recommendation which you may wish submitted at the next sitting, the date of which I shall advise you in due course.

Speech of the Hon'ble Sir Firoz Khan Noon, K.C.S.I., K.C.I.E., Defence Member of the Governor General's Executive Council at the Reconstruction Committee of Council (Policy Committee No. 1 on Re-settlement and Re-employment) on the 29th February, 1944.

GENTLEMEN,—We are gathered here this morning to consider schemes for safeguarding the economic and social welfare of the demobilised Indian soldiers, sailors and airmen after this war and for this purpose, I should like to place the following facts before you for your information and consideration.

2. The strength of the Indian Army is now approximately 1¼ millions and is increasing at the rate of about 30,000 a month. The strength of the Royal Indian Navy is roughly 20,000 and that of the Indian Air Force approximately 30,000 including non-combatants. It is difficult to assess the precise nature of the problem of resettlement in the absence of certain essential data, such as in particular the strength of the post-war services and the length of the period after the cessation of hostilities during which it will be necessary to maintain comparatively larger forces than will ultimately be required. It is, however, possible, to make reasonable assumptions, and even though some of them may prove ultimately to be rather wide of the mark, there is no doubt that the general aspect of the problem of resettlement can now be readily apprehended.

3. The Navy and the Air Force are not likely to present serious difficulty. It is legitimate to assume that neither service will be reduced to anything like its pre-war strength. The naval cadres in 1939 were in the vicinity of 1,500 and the Indian Air Force was still in its infancy. Moreover, the majority of the rank and file of both services have professional or technical qualifications. It is to be expected that a high proportion of the "hostilities only" ratings of the Navy will return to the merchant service, and that comparatively few will experience difficulty in finding employment.

As regards the Indian Air Force it is likely that a substantial proportion of such numbers as it may be found necessary to demobilise will readily find work in civil aviation which will in all probability largely develop after the war.

The problem as regards these two services then is not likely to be a general one, but will resolve itself into the necessity for dealing with a possibly not very large number of individual cases.

4. As regards the Army the case is different. We may assume that at least 1¼ and possibly 1½ million men will have to return to civil life. At first sight it would appear that this is not a very formidable figure when the size of the population—about 400 millions is considered. But recruitment is exceedingly uneven and whereas over large tracts of country there is hardly a man in the services, there are a number of comparatively small areas which have been practically stripped of their man-power—and these are bound to be very seriously affected by demobilisation. Apart from the purely economic aspect of the return to civil life of more than a million soldiers which, as indicated above, will be comparatively trifling except in certain well marked areas, the fact remains that all these men have become accustomed to a far higher standard of living than they previously enjoyed. They have acquired a considerable amount of education and also skill in the use of modern weapons and modern machinery. Many of them have seen other countries and their outlook has been widened. They have, moreover, learnt to take a pride in themselves and have been encouraged to hope for better things. Their demands on life will undoubtedly be much higher than they were, and unless they are satisfied with the conditions to which they would return they would form a considerable leaven of discontent instead of becoming a stable and progressive element in the community.

5. It will be advantageous to examine the approximate figures of recruitment by Provinces. Much the largest total is that of the Punjab, which has contributed well over a third of the entire Army. By the end of the war its contribution may amount to more than 600,000 men. A high proportion of these is drawn from the northern districts which are, generally speaking, poor and undeveloped. The majority are agriculturists—probably 80 per cent.—though not more than from 30 to 40 per cent. own land. The remainder are landless tenants and labourers or village artisans of various kinds with an agricultural background. Many have however, learnt trades while in the Army, and of the 333,000 whose card indexes have been completed, nearly 64,000 are M.T. drivers and 14,000 fitters.

The N.W.F.P. has been heavily recruited considering its area and population and has over 70,000 men now serving. It may be assumed that at least 80 per cent. of these have an agricultural background and would normally return to village life either as farmers, tenants, labourers or menials. Of the 42,000 whose card indexes are now completed over 8,000 are M.T. drivers and a large number have acquired proficiency in a variety of mechanical trades.

Sind has only 5,000 in all.

The U. P. will have well over 200,000 but no districts have been heavily recruited with the exception of Garhwal and Kumaon. The U. P. districts are very large, often with a population of from 2 to 4 millions, and few of them will have to absorb more than 3,000 or 4,000 men. In Garhwal and Kumaon, however, the problem will be more comparable to that of the northern Punjab. Of the 138,000 whose card index have been completed nearly 11,000 are M.T. drivers and over 5,000 are cooks, another 5,000 sweepers, and another 5,000 water-carriers. There are something like 2,000 storemen and storekeepers and over 1,200 clerks. All these figures will probably have to be practically doubled when the card index is completed. The vast majority are again villagers.

Bengal has nearly 100,000, about one-third of whom are technical men and a large number more enrolled in labour units, and a high proportion of them come from towns rather than villages. Of the 42,000 who have been classified, over 2,000 are cooks, over 2,500 clerks, 2,300 fitters, and nearly 5,000 M.T. drivers.

Orissa has a little over 3,000 only. Again the largest figure is that of M.T. drivers—about 300.

Assam has some 10,000 men serving. Comparatively few of these are agriculturists.

Bihar has over 40,000. These come from all over the Province—towns as well as country—and there is no particular class or areas which can in any way be singled out.

C. P. and Berar presents much the same picture, with about 25,000 service men, the majority of whom are serving in ancillary units and in trades of all kinds. Only a small proportion are agriculturists and very few own land.

Madras has supplied more men to the Army than any other Province except the Punjab—over 260,000. There are however, very few districts in which recruitment has been at all heavy; in none does the number exceed 30,000—and Madras districts are very large. A very small proportion actually own land, and the majority belong to the labouring classes, though probably 80 per cent. of them come from villages. Of the 95,000 whose records have been prepared no less than 33,000 are M.T. drivers. There are nearly 4,000 bricklayers and over 4,000 carpenters. Clerks account for nearly 3,000, cooks 2,000, electricians over 1,600 and fitters nearly 7,000. Over 25,000 sweepers have been enrolled.

Bombay has nearly 100,000 men serving, and the Mahratta districts are heavily recruited from a more or less homogeneous population—farmers, agricultural tenants and labourers. Of the 53,000 whose cards have been prepared, 9,500 are M.T. drivers and 2,200 fitters. Generally speaking, Bombay has perhaps rather less technical troops and tradesmen than other Provinces, and also fewer menials.

The only other large aggregates apart from Nepal, which is a separate problem, is represented by Rajputana and Central India with over 50,000 men serving, a vast majority of whom are agriculturists, and the States of Kashmir, Travancore and Patiala. Kashmir has, including non-combatants and technical recruits, about 45,000, Travancore 35,000 and Patiala 27,000. Comparatively few of the Travancore State service men are agriculturists, and most are artisans and labourers from the towns. Some 7,500 of the 20,000 whose cards have been completed are M.T. drivers. Patiala has a considerable proportion of agriculturists. Out of the 19,000 whose cards have been completed 4,600 are M.T. drivers, but other trades are not represented in any very striking numbers. Kashmir has a considerable number of agriculturists, especially Dogra Rajputs from Jammu.

Altogether there are something like a quarter of a million State subjects serving in the British forces, and many have from 10,000 (Cochin, Hyderabad, Jodhpur, Jaipur) to 3,000 of all categories, technical, non-technical and non-combatants. Generally speaking, they are drawn from much the same types and classes of persons as from the adjoining Provinces. Demobilisation is likely to have a marked economic effect on the Rajputana States, Kashmir and, to a somewhat lesser extent, Travancore and Patiala.

6. The above summary will show that generalisation is difficult with the exception of the fact that over most of the area, both of British India and of the States, the great majority of the people concerned are villagers rather than townsmen. 80 per cent. may be rather a high figure, but it is probably not far short of that even including Bengal and some areas in the south. Another generalisation which can be made is that though so large a proportion are villagers, a comparatively small proportion actually own land. In the Punjab, U.P. and N.W.F.P., the numbers of landowners are considerable, but generally speaking not elsewhere. It appears then that for large numbers, schemes of agricultural improvement will not be of direct benefit, and therefore each Province and State must work out its own scheme. There are a few districts which are very highly recruited indeed, but apart from these the bulk of the Army comes from all over India and a very large proportion is drawn from the artisan and labouring classes. Settlement on the land does not offer many possibilities at present, though the development of certain areas in the south may ultimately cater for a considerable number. Sir Colin Garbett has already carried out a survey of available land and apart from the Punjab I see little prospect of surplus land elsewhere. If any of you is interested in this report, the Secretary, Defence Department, could let you read a copy.

7. As regards industrial employment, it may be assumed that it would be open only to technically trained service men of the higher grades, and even then they will have to be trained in the particular requirements laid down for employment in industrial concerns. Technically trained ex-service men will be in competition with the existing highly trained personnel of Government factories and also with civilian personnel in factories now in war work which will be switched over to peace-time industry after the war, and it may be difficult to secure any marked degree of preference for the ex-soldier in industrial concerns generally. The creation of large-scale transportation companies would help in providing congenial employment for at least a proportion of the vast mass of motor drivers.

8. We can, however, count on a high degree of preference in the giving of Government employment by both Provinces and States, and may assume that much of the man-power required in the carrying out of long-term

reconstruction programmes will be found from the ranks of the demobilised. This should aid very substantially in tiding over the first few years after the war, and for the future not only the improvement of agriculture in all its branches but the expansion and creation of rural industries, particularly those subsidiary to agriculture, should be the goal.

9. A large number of schemes have been considered in the Directorate of Welfare and Education and in the Defence Department, and referred to Provincial Governments for examination in the light of local conditions; but it has been considered sufficient to select a few samples for to-day's discussion. It is necessary to consider them all in the light of the general aspect of the problem confronting us which, as I have indicated above, is a highly complex one. It is open to any member to put forward additional suggestions for examination. In the days of the old pre-war Indian Army certain classes only drawn from very definite areas in the country were concerned. But, as will be observed, the present day Indian Army comes from all over the country and contains very large numbers of classes not heretofore enlisted. The great growth of the ancillary services is to a great extent responsible for this change.

10. To assist us in the resettlement of ex-service men we have a fund which is increasing at the rate of between 30 and 40 lakhs a month and which now approximates 5 crores. By the time demobilisation actually begins it may amount to as much as double that sum. The condition attaching to the use of the fund is that it must be spent on schemes which are for the permanent benefit of the enlisted classes. In addition, therefore, to what the Provinces, aided as far as may be possible and necessary by the Centre, can do for the people as a whole, we shall be in a position to do something *extra* for the men of the services. How to spend this money to the best advantage is a matter of very considerable difficulty.

11. A great deal of vocational training is already being carried out within the various battalions through lectures regularly given on matters connected with health, hygiene, sanitation, better seeds, manure, pits and animal husbandry. There are at the moment throughout British India 110 Army training centres and a great many of these contain a number of agricultural demonstration plots. The Post-war Reconstruction Fund might be utilised in the following manner.

At each Army training centre we establish an agricultural institute which will impart education to the soldier while he is still in the Army. It will have this advantage that the soldiers will be already housed and be under the Army discipline and receive wages in the form of salary and can be compelled to attend these training classes and demonstration farms. These demonstration farms could also serve as depots for seed. They could also be extended to grow vegetable seeds which could be distributed through Soldiers' Boards to the demobilised soldiers in their villages. These centres could also have dairy farming and where suitable, poultry farms and keep good herds of cattle which could be distributed amongst the demobilised soldiers on easy terms. But these Army centres may not suffice because they only exist where there are cantonments and these are located in certain areas whereas for the purposes of general station farms we need to establish them in areas which are climatically suitable and which contain good agricultural land and means of irrigation. It is from this point of view that an Agricultural Headquarter would have been more suitable. We have circulated this scheme to the various Provinces, but I am afraid the response is not a very favourable one judging from the replies of the two or three Provinces which have already been received. It is quite realised that the problem of improving the lot of the demobilised soldier is closely connected with the general improvement of the people of a Province and since it is the duty of the Provincial Government to uplift agricultural standards and education, we with our limited funds must not undertake anything which it is the duty of a Provincial

Government to do. Our work should not be in place of but should be supplementary to the work of a Provincial Government, and, therefore, we may have to establish perhaps one Agricultural Centre in each suitable Province for the purpose of distributing seeds and agricultural machinery. However, I feel that in a large body like this it may not be possible to find enough time to debate over the details of these schemes and if the meeting feel so disposed, we can decide to request the Government of India to appoint a Board of Agriculture under the Directorate of Welfare and Amenities for the purpose of considering the details of these schemes and putting them into force wherever suitable with the previous sanction and approval of the Government of India.

The Punjab Government are now proceeding with the completion of the Thal Canal and about 5,000,000 acres of land will receive irrigation by October 1945. Within this new area which will receive irrigation there are about 90,000 acres of Crown land belonging to the Punjab Government. If the meeting feel so disposed, we might make a recommendation to the Government of India that these 90,000 acres may be purchased from the Punjab Government and collective farms be established there for the purpose of finding employment for the demobilised soldier. At the moment there is no other province in India where any land is available in large areas. The price of this land is not to be paid out of the Reconstruction fund but the recommendation should be that the Government of India should pay this out of the General Revenues as a token of their appreciation of the war services of the Indian soldier. We shall have to consider similar schemes for other Provinces also. In the distribution of any money grant for this purpose no doubt we shall have to consider the claims of each Province on the basis of its man-power contribution during the war and in provinces where we cannot find sufficient land we may have to work out other schemes with this money to help the demobilised soldier to earn more money.

None of these schemes for the betterment of the demobilised soldier or even the agriculturists at large can ever succeed if the prices of agricultural products are allowed to fall heavily at the end of this war. There is a great danger of this country sinking into an agricultural slump which will be disastrous for the economy of our people as a whole. I was much interested in reading the reconstruction scheme of our great industrial magnates who published it the other day, but I was very disappointed to find that nowhere in that scheme had they emphasised the necessity of fixing agricultural prices at a stage where it can be said that the 90 per cent. of our people who live on the land will be able to eke out a living out of their small holdings. The interests of the manufacturer in Europe as well as in India are the same. They would like to keep the prices of our products as low as possible so as to reduce the production costs of their manufactured goods. On the other hand, the interest of the vast majority of the people of this country demand that the prices of agricultural products should not be allowed to fall below a certain level and it is one of the primary duties of all to see that economic standards in this country do not fall because of a slump in agricultural prices. The Government of India are already considering ways and means of raising the standard of living in this country and I am confident that whatever is possible will be done to safeguard the economic future of the agricultural masses.

Connected with this is also the question of establishing vegetable seed farms and if the meeting are so disposed, we might make a recommendation to the Government of India that these should be established in suitable areas so as to provide vegetable seeds to the demobilised soldiers through the various Soldiers' Boards so as to enable them to earn a little more money out of their small holdings spread throughout the villages of India.

12. It is also for consideration of the meeting to-day whether we should recommend to the Government of India for the establishment of an All-India Co-operative Council under the Defence Department to work out

co-operative schemes for the benefit of the demobilised Indian soldiers, sailors and airmen. A note has already been circulated to you which gives you the details of the points under consideration, but here I might mention in short that manufacture of cycles in parts, of clothes and shoes on a co-operative basis and possibly watches are within the realm of possibility. Fruit growing, fruit and vegetable canning, bottling of fruit juices, de-hydrating of vegetables, marketing of agricultural products, sale of consumer goods can all be carried out on a co-operative basis. If you approve of this idea, we can make a recommendation to the Government of India for the appointment of an All-India Co-operative Council who will work out the various schemes. It is also possible to establish a Co-operative Savings Bank for the Indian soldiers, sailors and airmen to consolidate the kind of services which are now being rendered by the Indian Post Office Savings Banks.

Regarding the formation of India Corps of Commissionaires a memorandum has already been circulated to you giving you the possible avenues of employment. I shall be very grateful for your views whether we should insist on fixing scales of pay so that nobody will be allowed to employ members of this Corps unless he agreed to pay the fixed salary. It has this disadvantage that our men may lose the opportunity by being ousted by persons who are willing to receive lower pay. However, the advantage of the members of this corps being more reliable than the average applicant whose past history is seldom known may induce employers to pay the higher salary

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POST-WAR REQUIREMENTS OF CAPITAL GOODS.

(*See Report* 1943, *page* 57.)

At a meeting of the Industries Policy Committee held at Bombay on the 26th October 1944, the Hon'ble Member for Planning and Development outlined the arrangements contemplated by the Government of India for registration of post-war requirements of capital goods. Government finalised these arrangements and on the 23rd December 1944 addressed the Chamber on the subject.

It was understood that industrialists in other countries were already, in expectation of an early ending of the war, placing orders for their post-war requirements of capital goods for rehabilitation and expansion of industry. The Government of India considered it desirable, therefore, that Indian industrialists should lose no time in booking their orders, and they expressed their willingness to render all possible assistance in enabling Indian industry to obtain its requirements.

With this end in view, it was decided that firms who had placed or intended to place orders for post-war requirements of capital goods from overseas should be called upon to register their orders with Government. The definition of the term "'capital goods" for the purposes of this scheme was based on the Import Trade Control Schedule. It was mentioned that orders for goods which were expected to be shipped before the 1st July 1945 need not be registered; for such goods import licences should be applied for in the ordinary way, but all orders for capital goods which were likely to be shipped after that date

should, however, be registered, except that it was not necessary to register orders for machine tools of an estimated f.o.b. value of less than Rs. 10,000 and for other capital goods of an estimated value of less than Rs. 25,000.

The Chief Controller of Imports was appointed as the authority to whom applications for registration should be addressed. He would work under the direction of a Committee composed of representatives of the Commerce, Supply, Industries and Civil Supplies and Planning and Development Departments; representatives of other departments of Government would be co-opted to the Committee as and when necessary. It was added that where orders had already been placed, the applications should be made as soon as possible; otherwise an application should be submitted when the applicant had estimated his requirements and was intending to place a firm order. Applicants would be informed as soon as possible whether Government agreed to register or had any objections or questions to raise. If no objection or question was raised within three months of the date of receipt of the application in the office of the Chief Controller of Imports, applicants would be entitled to assume that registration had been accepted. The Chief Controller of Imports would in any case accept registration of orders which were placed on and accepted by the suppliers before the 23rd December 1944. When registration was accepted a certificate would be issued and the importer would be expected to place his order, if he had not already done so. He would then be required to inform the Chief Controller of Imports within six months of the acceptance of registration whether his order had been accepted by the supplier. If no such information was received or if the importer had not applied for an extension of the period, he would be informed that it was proposed to cancel the registration. Orders considered deserving of priority would, wherever it was possible to do so by arrangement with the manufacturing country, be given a priority grading. It was considered that it was probable that some form of import control would continue for some time after the war and that import licences would therefore be necessary. Import licences for capital goods falling within the scope of the registration scheme which were not expected to be shipped before the 1st July 1945 would be granted only when orders had been registered with the Chief Controller of Imports and had been accepted by the suppliers, the fact of such acceptance having been duly reported to the Chief Controller of Imports. When import licences had been granted, Government would afford assistance in procurement and in shipment of the goods, where necessary and possible.

It was expected that foreign exchange other than currencies of the sterling area countries would continue to be scarce for some

time and it would be necessary to ensure that the available foreign exchange recourses were utilised to the best advantage of the country. U.S.A. dollars, Canadian dollars and Swiss francs were likely to be in particularly short supply. Applicants who desired to purchase capital goods from outside the sterling area were requested, therefore, to explain in their applications the necessity and urgency of doing so in order to enable Government to assign the necessary priority for exchange.

In a letter to the Chamber the Government of India quoted the serial numbers of the Import Trade Control Schedule which covered the goods which came under the term "Capital goods" for the purpose of the scheme. The following classes of goods were included:—

(1) Goods falling under the following serial numbers of the Import Trade Control Schedule appended to Commerce Department Notification No. 23-I.T.S.C./43, dated 1st July 1943:

Part I.—Serial Nos. 17, 20, 29 (only when required for ropeways, transmission lines and similar purposes), 38 (iron and steel chains only). 55, 57.

Part II.—29, 30, 31, 31-A, 31-B, 32, 33, 33-A, 33-B, 34, 36, 36-A, 36-C, 37 (1), 37 (2), 37-A, 39, 42, 43, 45, 47, 48, 49, 50, 52.

Part III.—4, 5 (1), 5 (2), 6.

Part V.—65, 67 (1), 67 (2), 70, 72, 73, 76.

and (2) all types of complete machine tools covered by the Schedule to the Machine Tool Control Order, 1941, with the exception of items enumerated in sections 22 and 23 of that Schedule.

The following classes of goods did not come under the registration scheme:—

(i) Goods which were expected to be shipped before the 1st July 1945. In the case of such goods import licences should be applied for in the ordinary way. If an import licence was refused on the ground that import was not considered essential by war-time standards, an application might be made for registration as a post-war requirement.

(ii) Machine tools, covered by the Schedule to the Machine Tool Control Order, 1941, the f.o.b. value of which was expected to be less than Rs. 10,000.

(iii) Other capital goods, the f.o.b. value of which was expected to be less than Rs. 25,000.

In regard to (ii) and (iii) it was made clear that in the case of an order for a complete plant or unit of machinery, the determining factor for purposes of registration would be its total value and that it should not be split up into separate orders for various components of values below the prescribed limit.

(iv) The requirements of heavy electric plant were separately dealt with by the Electrical Commissioner with the Government of India. The following items were included under this head:—

(1) Turbo-alternators of individual capacity of 1,000 k.w. and over.

(2) Water-tube boilers of individual capacity of 11,000 lbs. per hour and over.

(3) Water wheel alternator sets of individual capacity of 500 k.w. and over.

(4) Diesel generating plant having an individual capacity of 500 k.w. and over.

(5) Transformers of voltages 13.2 k.v. and over and of lower voltages aggregating 5,000 k.v.a. for any single project.

(6) High voltage switchgear of 13.2 k.v. and over and all lower voltages aggregating 5,000 k.v.a. capacity and over in respect of any particular project.

(7) Synchronous condensers, rotary converters and motor generator sets having an individual capacity of 250 k.v. and over.

(8) Mercury arc rectifiers of an individual capacity of 250 k.w. and over.

(9) Extra high voltage cables of 13.2 k.v. and over.

Applicants who had placed or were intending to place orders for capital goods (other than those falling in the above categories) which were not likely to be ready for shipment before the 1st July 1945 were requested to address their applications for registration to the Chief Controller of Imports, Commerce Department, New Delhi.

PUBLICITY IN THE INTERESTS OF INDIA'S POST-WAR EXPORT TRADE.

In November 1944 the Associated Chambers of Commerce of India requested the views of this Chamber on a reference made by the Department of Commerce of the Government of India on the question of instituting adequate publicity arrangements in countries outside India in the interests of India's post-war export trade. As the war drew to a close it appeared more than ever necessary that serious consideration should be paid to the problem of publicising India's trade and industry abroad, in order to lose no time in seizing the export markets which India's expanded production would need, and which were at the moment clear of the Axis trade which formerly enjoyed a large share in these markets.

It was pointed out that India was at the moment represented by Trade Commissioners in the United Kingdom, the United States of America, Canada, South America, Australia, Alexandria and Mombasa. A new Trade Commissioner would also shortly start functioning at Teheran in Persia. It was obvious, however, that much of the success attending on the activities of these officers must depend on the manner in which they brought to the notice of the trade in the countries within their jurisdiction the manufactured articles and raw materials which this country produced. And if such presentation to the public was to be effected in a manner worthy of this country and the goods it produced, it was essential that the manner and the degree of

publicity to be accorded to these goods was given the most serious consideration ; and it was with regard to this aspect of the matter that Government desired the views of the Chambers at this juncture.

It appeared to the Government of India that in the matter of commercial publicity abroad, India's achievements, both in the realm of art and industry, had not secured the attention they deserved. It was, therefore, of the utmost importance that a very real effort should be made to see that the goods and raw materials which she produced for markets abroad were displayed to their best advantage, particularly in new fields like Persia, and having regard to the fierce competition which Indian goods would be forced to encounter in the post-war world. It was appreciated in this connection that it might not be possible during actual hostilities to relax the existing export restrictions on certain classes of goods which were in short supply, but this should not stand in the way of timely publicity in regard to goods which India would be in a position to export in the immediate post-war period.

The Government of India had little doubt that in a matter like this the Chambers of Commerce would be in the best possible position to advise them as to the manner in which the most satisfactory results could be achieved. Such publicity might be of different kinds, as, for example, by the display of samples of goods manufactured or produced in India, by the holding of exhibitions, by advertisements, display of posters, pictures and films, and by judicious distribution of literature, printed catalogues, etc., calculated to show in the best light possible the quality and the range of Indian goods and materials. It was with regard to the medium to be employed, the manner of its use, the countries to which it should be directed, the extent to which it should be employed and the means to be adopted towards this end, the securing of samples, advertisements, pictures, catalogues, etc., suitable for this purpose, that the advice of Chambers of Commerce would be most valuable, and the existing publicity organisation of the Government of India could be converted into a powerful weapon for publicising India's culture and commerce, as the need for publicising her war effort declined.

The Government of India requested the Associated Chambers of Commerce to favour them with their views and detailed suggestions as to the manner in which the object in view could best be achieved, and added that they would be prepared to discuss the subject, if necessary, at a conference with representatives of trade and industry if the replies received indicated that this would facilitate discussion of the problem.

In replying to the Associated Chambers the Committee stated that they appreciated Government's desire to institute adequate publicity arrangements outside India in the interest of India's post-war export trade, but considered that it was a matter for experts to deal with and suggested that in the first place the whole question should be referred to the Export Advisory Council.

When examining the policy to be adopted it was suggested that the following points should be borne in mind :—

1. Educational activities directed to foreign markets should be co-ordinated by Government and a scheme should be drawn up for drawing foreign buyers to India by such means as trade fairs, exhibitions, etc., and by an approach to foreign consumers by regular advertising campaigns.

2. Consumer education should be undertaken by Government on behalf of India as a producing centre of world-wide importance. Such " institutional " advertising should be supported with " group " advertising (textiles, engineering, etc.) and also by advertising on behalf of individual concerns.

3. Government had at their disposal a group of advertising people who were now handling war publicity. Their services might well be retained for this essential post-war work and the problem of expert assistance solved thereby.

POST-WAR DEVELOPMENT OF BOMBAY.

In December 1944 the Government of Bombay invited the President of the Chamber, who agreed, to serve on a Committee which it was proposed to appoint for the purpose of co-ordinating the activities of the various authorities in Bombay City and Greater Bombay in connection with post-war development, in order to prevent wasteful overlapping and possibly undesirable competition in their respective plans. The kind of subjects the Committee would deal with would be—

(*a*) housing,

(*b*) town planning,

(*c*) sinking the Bombay Baroda and Central India Railway between Charni Road and Churchgate and extending it underground to Victoria Terminus,

(*d*) traffic problems, and

(*e*) development of the suburbs.

Government considered that the main Committee should be kept small in size and should appoint separate panels to advise them on the different subjects to be considered.

It was proposed that the main Committee should include the Adviser to the Governor for Education as Chairman, the Mayor, and two representatives to be elected by the Corporation, the Municipal Commissioner, the Police Commissioner, the General Managers of the two railways, the Chairman of the Port Trust, the General Manager, B.E.S.T., the Presidents of the Chamber of Commerce and the Indian Merchants' Chamber and the Commander, 108 L. of C. Area or his representative.

FINANCE.

INDIAN FINANCE BILL, 1944.

On the 29th February 1944 a Bill was introduced in the Legislative Assembly which had for its object the continuance for a further period of one year of the existing provisions regarding salt duty and the inland postage rates. It also provided for the continuance of the additional customs duties imposed by section 6 of Act XII of 1942 except that the additional duty to be levied on imported spirits, tobacco, cigars and cigarettes was raised from 20 per cent. to 50 per cent. It provided for certain increases in the existing excise duties on tobacco and tobacco products and for the imposition of excise duties on betel-nuts, coffee and tea at two annas a pound. It also provided for the continuance for a further period of one year of the existing basic rates of income-tax and super-tax and for certain graded increases in the surcharges on income-tax and super-tax and provided a ceiling of 63 pies for income-tax and super-tax on life insurance business. The excess profits tax was continued at the rate of 66⅔ per cent. In respect of the chargeable accounting periods ending after the 31st December 1943, the compulsory deposit was increased from 1/5th to 19/64th of the excess profits tax payable and the Bill also provided for compulsory deposits at the time of provisional excess profits tax assessments.

In his speech introducing the Budget the Finance Member made it clear that the intention of the increased compulsory deposit was that after the tax had been paid on the excess profits and income-tax and super-tax on the balance the increased deposit would immobilise the whole of a company's excess profits. The Committee in its representations to the European Group pointed out that in the case of individuals and partnerships, where the assessable income ran into slabs exceeding Rs. 35,000, it would do far more than this, as not only would the whole of the excess profits in such cases be immobilised but also part of the assessable income, and in some cases the result would be a minus. The Chamber held most strongly that no more than 100 per cent. of the excess profits should be immobilised in any event. This

could be effected either by postponing taxation on so much of the excess profits as was represented by the compulsory deposit or alternatively reducing the compulsory deposit so as to limit the total amount of excess profits immobilised to 100 per cent.

The immobilisation of the total excess profits by taxation plus deposits would in itself result in a limitation of dividends and the Chamber therefore did not see why it should be thought necessary to increase companies super-tax to three annas in the rupee on the proportion of income paid away as dividends.

As some companies limited to a percentage of the profits the amount the directors would set aside for reserves and depreciation, the Committee considered that it was desirable that this limitation should be removed by amending the Companies Act, but meanwhile they felt that the Finance Act should give directors power to set aside reserves equal to the amount of compulsory deposits in addition to any reserves permitted by the Articles of Association.

Clause 6 (2) (*a*).—The Committee recommended that attempts should again be made to alter a provision which operated unjustly against companies by deleting from this clause the words 'not being a company.' In the case of companies receiving dividends declared in March 1944 out of 1943 profits the increased rate of tax was recovered both from the company paying and the company receiving the dividend.

Clause 8 (1) (*b*) (*c*).—Commissioners of income-tax would presumably, as with excess profits tax, allow an extension of time for payment in the case of assessees who could show that amounts due to them by Government for outstanding bills exceeded the tax payable. It followed from this that in equity the deduction of instalments of tax from capital for computing E.P.T. must date from the extended date on which payment of the instalments was demanded and not when payment first became due under clause 5 of the Income-tax Amendment Bill.

Clause 8 (1) (*b*) (*d*).—In cases where such deposits were refunded under section 14A (7) the amount deducted in computation of capital in respect of the deposit made at the time of the provisional assessment must be reduced correspondingly. If this was not done, standard profits were reduced by 8 per cent. on that portion of the capital, and tax on this would exceed the penal interest of 5 per cent. payable by Government. In this connection it had to be remembered that such excess deposits were compulsorily taken out of the assessees' hands until the final assessment was made.

Limit of Tax in respect of Life Insurance Companies.—The life companies were disappointed that the ceiling had been fixed at 63 pies in the rupee. They had expected that on the analogy

of taxation in the U.K. the ceiling would have been fixed at 75 per cent. of the companies' rate fixed by the Finance Act of 1942, or at the most 75 per cent. of the 1943 rate (say, 55½ pies per rupee).

The Bill was certified by the Governor-General on the 31st of March 1944 and the following recommendations only were included:—

Limitation of Taxation Deposits to 100 *per cent. of Excess Profits.*—This point was conceded, but although individuals and firms were relieved of the obligation to pay deposits greater than such amount as would absorb the balance of their excess profits after paying taxation thereon, they still were entitled to the full post-war refund of excess profits tax. This was considered very satisfactory.

Removal of Restrictions on Powers of Directors to make Reserves.—It was understood that an amendment of the Companies Act was under consideration.

PUBLIC DEBT OF THE CENTRAL GOVERNMENT.

Management by the Reserve Bank of India.

(*See Report* 1943, *page* 62.)

It was recorded in the Chamber's Report for 1943 that in commenting on the Bill to consolidate and amend the law relating to Government securities the Committee considered that the limitation period of six months laid down in sections 9 and 12 was unnecessarily short and recommended that it should be increased to twelve months. Similarly they recommended that the period of limitation of the Central Government's liability in respect of repayment of capital and interest should be increased from six to ten years.

The Select Committee which sat on the Bill did not accept the first two of the above recommendations. Government pointed out that if " twelve " months was substituted for six in clause 9, hardship would result in many cases. The clause was, however, permissive and Government considered that the limiting period of six months should remain.

By clause 12 the bank was bound to give notice and in effect no vesting order was likely to be made under approximately 12 months, from the date of the decease (if the dispute arose as the result of the death of the holder, while in other cases it was understood that the bank would not normally take action under the section until the position had been fully explored). It was further pointed out that if the period was increased from six months to twelve, hardship might result in many cases where the amount involved was not large.

In connection with clause 24, Government in Select Committee accepted an amendment to increase the period from six years to twelve years and this met the Chamber's point, but in the Bill as finally passed by the Legislature the limit of Government's liability in respect of the capital amount was deleted and the limit in respect of interest was fixed at six years.

LAW AND LEGISLATION.

VISIT TO THE CHAMBER OF SIR JOHN SHEEHY.

(*See Reports*, 1939, *page* 11; 1940, *page* 12; 1941, *page* 7; 1942, *page* 57; 1943, *page* 65.)

SIR JOHN SHEEHY, C.I.E., I.C.S., Member, Central Board of Revenue who was accompanied by Mr. C. W. AYERS, C.I.E., Excess Profits Tax Adviser to the Government of India and MR. J. B. SHEARER, O.B.E., I.C.S., Commissioner of Income-tax, Bombay, visited the Chamber on Wednesday, 30th August 1944, and discussed the following points with the General Committee and the Income-tax Sub-Committee :—

INCOME-TAX.

1. (*a*) *Desirability of simplification in Income-tax procedure.*—The possible simplification of Income-tax procedure was discussed generally, and while it was agreed that no major alterations could be considered in war-time, and while many of the complications arose from the necessity of dealing with hardship on the one hand and evasion on the other, it seemed that much time of Income-tax Officers was wasted in dealing with personal assessments of assessees who were members of firms and also received income from dividends. This was explained in detail and was due mainly to the abolition of the exemption of dividends from income-tax.

It was suggested that there might be a reversion to the previous practice whereby dividend income was exempt, special provisions being made to deal with demands for repayment of tax not suffered.

Sir John said that the alteration of the law regarding dividends was made for reasons other than that of avoiding unreasonable repayments, and no alteration could be made in this.

(*b*) *Revised edition of the Income-tax Manual.*—Sir John Sheehy said that he would be very willing to issue a new edition but he was unable to get the requisite priority for paper.

(*c*) *Double Income-tax Relief Claims—Delays in Settlement.*—This question was discussed at length and the case was instanced

of an important assessee company where refund claims had remained unsettled for a lengthy period and the amount involved was in the neighbourhood of three and a half lakhs of rupees covering the Government years 1940-41, 1941-42, 1942-43 and 1943-44. Sir John appeared to be very interested and promised to look into the matter on his return to Simla. Mr. Shearer agreed that great delay had occurred and pointed out that it was probably due to the files of the assessee being required by a number of different officers for purposes other than those of the refund claims, also because the files under departmental orders had to be submitted to the Board for scrutiny before the refunds could be granted. It was pointed out that the claims had been agreed by the Income-tax Officer, Companies Circle, Bombay, and that in former years this procedure had not been followed. Further, that formerly double income-tax refund claims had been disposed of more promptly. On talking the matter over with Mr. Ayers and Mr. Shearer, Sir John said that he thought it would be possible to arrange for an experienced officer on the staff of the Central Board of Revenue to visit Bombay periodically to settle claims of this nature on the spot. (*Note.*—It has since been decided that double income-tax relief cases need not in future be submitted to the Central Board of Revenue for scrutiny. In view of this decision the question of deputing an officer to Bombay will not arise.)

2. (*i*) *Income-tax Act, Section 18A.*—It was suggested that where assessments were in arrears, and an assessee knew that his 1945-46 assessment would be on a much lower figure than his last completed assessment, he might be allowed to estimate, without penalty, on the basis of his expected 1945-46 assessment. Sir John did not agree, and said that any estimate must be on the basis of the current year's income.

He was definitely not prepared to make the levying of penal interest under sub-section (6) permissive instead of compulsory. An assessee could always avoid penal interest by paying on the basis of the previous assessment.

(ii) It was also pointed out that there was hardship in the cases of companies intermittently resident, as, if they wished to make an estimate they could not tell in the course of the year whether they would prove to be resident or non-resident. For instance, a loss occurring in the United Kingdom towards the end of the year might reduce the United Kingdom profits to below the Indian profits so that both became assessable in British India.

Sir John appreciated this point, but said that the new section was still in the experimental stage and should be allowed to run for a year or so. He would be prepared to look into the matter,

but in the ordinary way cases of hardship should be dealt with by the Commissioner.

3. *Forms of Returns.*—It was suggested that the Income-tax Officer should notify the assessee when he grossed up dividends by an amount different from that given in the returns. It was agreed that this was reasonable.

It was also suggested that it would facilitate personal assessments if—

(i) the Income-tax Officer, when assessing a company, certified the percentage of profits taxed, so that companies could notify shareholders enquiring on the point, and be sure that the percentage they gave would be the same as that adopted by Income-tax Officers making personal assessments on the shareholders.

(ii) When making a personal assessment, the Income-tax Officers should notify the assessee of the differences between his and the assessee's computation of gross dividends. At present assessees have to call or write to find out what has been done, causing unnecessary waste of time on both sides.

Sir John agreed to look into these suggestions.

4. *Section* 24A.—It was pointed out that although section 24A enabled an assessment to be made at the current rates of tax on the current year's income in the case of a person about to leave British India, there was no similar provision for assessment in the case of a liquidator who wished to close his liquidation. It was common in the case of voluntary liquidations, for funds to be put on fixed deposit pending disposal, and if interest was received in the final year of liquidation, the liquidator could not know until the publication of the next year's Finance Bill, what income and super-tax he would have to provide before making his final distribution, which was, in consequence, delayed. The same point arose in the case of investments in Government paper, although income-tax was deducted at the source; as a company would have to pay super-tax on the interest at the following year's rates, and also any increased income-tax.

Sir John said he would note the point raised by the Sub-Committee and would consider it when the Income-tax Act was next amended.

5. *Section* 18 (5).—It was suggested that section 18 (5) should be amended so as to exclude a sum to be received under section 23A (4) in respect of which section 18 (5) applied when the order under section 23A (1) was passed, otherwise the income-tax added in grossing up would be credited twice—once when the income was assessed under section 23A (1), and, again, when the

dividend was actually paid but exempt from taxation under section 23A (4).

Sir John disagreed, and said that a dividend to which section 23A (4) applied was totally excluded from the total income and was not to be included in the return.

6. *Disallowance of British India Excess Profits Tax in Income-tax assessments in other countries and Indian States.*—(a) *Indian States.*—Sir John Sheehy was asked what was the position regarding the Chamber's representations.

Sir John stated that he had suggested two alternatives to the States—

(i) That British Indian excess profits tax should be treated as appropriation of profits by Government as far as the State was concerned, and they should levy tax only on the amount left after its exclusion.

(ii) That double income-tax relief should be given by both British India and the States on the income before charging excess profits tax.

(b) *Ceylon.*—The matter had been raised with the Ceylon Government and was still under discussion.

EXCESS PROFITS TAX.

7. *Section* 8 (8).—It was pointed out that this section contemplates an order and the appeal rule requires a copy of the order, but, in practice, no order was being made for the want of a prescribed form. Since the point had been raised, however, a form had been prescribed.

Mr. Ayers replied that normally the reasons for the Excess Profits Tax Officer's decision should be explained either in the assessment order itself or in correspondence with the assessee. A member of the Sub-Committee then said that in a certain case the Excess Profits Tax Officer had refused to state his reasons although asked to do so. Mr. Ayers suggested that any such case might be brought to the notice of the Commissioner.

INCOME-TAX (AMENDMENT) BILL.

On the 29th February 1944 a Bill was introduced in the Legislative Assembly, the main object of which was to provide for advance payments of tax on income which was not liable to deduction of tax at source under section 18 of the Indian Income-tax Act, 1922. The income mainly affected was income from property and from business, profession or vocation. Other provisions of the Bill were designed either to correct certain defects in the Act or to give relief to the taxpayer.

The Committee's comments on the various sections of the Bill were as follows :—

Clause 4.—This clause was designed to put a stop to tax evasion which had taken the form of a one-year policy. The Committee considered 7 per cent. of the capital sum assured was inadequate. It was not unusual for men of, say, 45/50 years of age, to take out ten-year policies of assurance and recommended that the percentage should be increased to 10 per cent.

The Chamber also recommended that owing to the much increased rates of tax over recent years an attempt should be made to get the sum exempted under section 15(3) of the Income-tax Act increased from Rs. 6,000 to Rs. 9,000 in the case of individuals.

Clause 5.—The main object of the Income-tax (Amendment) Bill was to provide for advance payments of tax on income which was not liable to deduction of tax at source under section 18 of the Indian Income-tax Act, 1922. The income chiefly affected would be income from property and from a business, profession or vocation. The Committee represented that the provision of the proposed new section 18A would be most inequitable in the case of concerns whose accounting year ended on 31st March.

The scheme for quarterly payments of tax was in itself unobjectionable as a war measure, but coupled with the proposed increased rates of tax and increased funding deposits, it would cause serious embarrassment to many firms and companies.

The acceleration in the rate of tax collection was much too great and the Chamber held most strongly that the due dates of instalments should be related to the close of the assessee's financial year and not the Government fiscal year. Further they considered it essential that the date on which the first quarterly instalment fell due for payment should be not less than six calendar months after the close of the assessee's financial year.

The Committee requested that Government should be pressed to give an undertaking that interest on money borrowed for payment of tax should be allowed as a charge in income-tax computations, as the 2 per cent. credit interest would be taxable.

They also recommended that no instalment of tax should in any circumstances be payable before the expiry of 30 days after the date of the Order demanding payment.

It was not clear whether the "rates in force" at which the taxes were to be calculated (see s. 18A. (1-a) line 10) were to include super-tax at the 3-anna rate, or whether the rebate was to be given on the same figure as in the previous year. It would appear that the rebate would be given only at the time of assess-

ment and the Committee considered that a protest should be lodged against this, particularly as a large part of the profits had, in any event, to be deposited with Government in the case of a company registered in British India, while a company registered in the United Kingdom or elsewhere abroad would never declare dividends in British India.

In connection with the second (now the third) proviso to new section 18A(1) (*a*) in this clause, they considered that if tax already paid exceeded the amount computed on the revised basis, the excess should be refunded with interest at the rate of 2 per cent. per annum from the date of payment to the date of refund.

Under the new section 18A(1-a) demands were to be issued for income-tax and super-tax on all income in respect of which provision was not made under section 18 for deduction of tax. This would include dividends, bank interest, mortgage interest, and all other income taxed under the heads of "Property" and "Other sources." The case of dividends was important. Apart from the impossibility of estimating future dividends, dividends on ordinary shares were paid free of income-tax and thus tax would be recovered twice, only to be repaid at the time of assessment. In the case of preference shares, tax was deducted at source, but not under section 18, and here again, double tax would be collected.

This was probably an oversight, but the Committee considered it should be remedied. One course would be to provide for advance payments in respect only of income assessed under the heads of "Business" and "Property" but to avoid controversy the Committee suggested that the exclusion of all dividends should be pressed for.

It should also be made clear that the proposed new section 18A(3) shall not apply to any new business until the completion of a full twelve months period of trading.

In the new section 18A sub-section (6) and (7) it was presumably not the intention that interest should be levied twice on the same short payments, and confirmation of this was desired.

It was also recommended that under the new section 18A(10) powers should be given to Commissioners of Income-tax to postpone the dates of payment of instalments in special cases, and in particular where moneys were due to the assessee.

Clause 9.—In the opinion of the Committee this clause did not go far enough. It was essential that the new sub-section (1A) to section 30 should include also the case of any person who had

not deducted and paid tax and who denied his liability to make such deduction provided he made a deposit of the amount of tax in dispute.

Double Income-tax Relief.—The principle of postponement of collection of part of the tax where it was presumed that double income-tax relief would be allowable (see p. 329 of Manual), should be extended to the advance payments. The best method would appear to be to allow provisionally the rate refundable, applied to the income on which tax was being paid. Thus where the home rate was 10*s.* in the £.=as. 8 in the rupee, and the British Indian rate was less, the United Kingdom refund would be As. 4 in the rupee and the British Indian refund would be the balance. So the amount to be collected in advance should be the British Indian rate less As. 4 in the rupee.

The Bill received the assent of the Governor-General and was promulgated on the 12th of April 1944. The Committee's recommendations in regard to clause 4 to raise the figure of 7 per cent. to 10 per cent. was accepted.

Businesses closing their Accounts between 31st December and 30th April.—These were allowed by the Act as passed to pay the tax in three instalments, viz., 15th September, 15th December and 15th March. This was a slight improvement, but the hardship still existed that they had to pay the tax on their profits of the last quarter before the sales were made on which those profits would be earned.

It was understood that in the opinion of Government, clause 9, as it stood, covered the case mentioned by the Committee.

The point raised in connection with the second proviso to the new section 18A(1) (*a*) was made clear by the proviso inserted in the new sub-section 5.

Persons who had not received a notice were relieved of the obligation to make an estimate, unless they had not previously been assessed (sub-section 3), and the section did not apply where the total income did not exceed Rs. 6,000 for the previous year (sub-section 1) or, in the case of persons not previously assessed, where the total income for the current year was not likely to exceed Rs. 6,000 (sub-section 3).

In July 1944 a complaint was received from a member company that they had been charged super-tax under section 18A at the full rate of 3 annas in the rupee on the whole of their profits, without allowing any of the rebate of 1 anna in the rupee that would be allowable on so much of the profits that had not been distributed in dividends.

In the case of a foreign company, it was obvious to the Committee that the rebate would be payable on the whole profits, while even in the case of an Indian company, the rebate would be payable on the whole of the excess profits, as the whole of such excess was taken by Government either as taxation or as a deposit.

The Committee understood that the Income-tax Commissioner, Bombay, had already raised this point with the Central Board of Revenue, but they placed their views on record with the Commissioner and suggested that a reasonable solution would be to exclude from the rebate only so much of the profits of the last assessed year as were distributed in dividend, or the amount of the standard profits less income-tax and company super-tax, whichever was less.

The Commissioner of Income-tax in reply drew the attention of the Chamber to the following Circular No. 16 which had been issued by the Central Board of Revenue on the 23rd June 1944 and added that the company whose case was mentioned by the Committee should ask the Income-tax Officer concerned to adjust the excess payment against the second instalment of tax which was due on the 15th of September 1944 :—

"The Board have decided for the sake of simplicity that in the case of companies Income-tax Officers should, for the purpose of determining advance payment of tax under section 18A compute super-tax at the reduced rate of 2 annas in the rupee only on the assumption that the company did not declare any dividend on ordinary shares in respect of the profits for the previous year relevant to the assessment year 1945-46. Where however a company elects to substitute its own estimate of tax it should take into account any interim or final dividend declared in respect of the previous year for 1945-46 assessment and compute the amount of super-tax payable correctly with due regard to the proviso to paragraph D of Part II of the second Schedule of the Finance Act, 1944, in order to avoid payment of penal interest.

2. In cases where super-tax is computed by the Income-tax Officer on the basis of the reduced rate no penal interest could of course be charged even if the advance payment on that basis fell short of the 80 per cent. of the tax found due on the regular assessment."

INCOME-TAX.

Suggested Simplification of Method of Assessment.

In connection with the budget proposals placed before the Legislative Assembly by the Finance Member, the Upper India Chamber of Commerce in April 1944 suggested to the European Group that the Indian taxation legislation should be remodelled into a comprehensive and comprehensible whole by the introduction of a simplified flat slab system of taxation in lieu of the existing system. The Group recommended that the question

should in the first instance be referred to the Associated Chambers of Commerce of India for the purpose of obtaining the views of the constituent Chambers.

In submitting the proposals to the Chambers, the President of the Associated Chambers pointed out that there was undoubtedly a strong case for the codification and simplification of the Income-tax, Supertax and Excess Profits Tax statutes and the rules, notifications and instructions issued under them. There had been continual changes—some of them retrospective —in both the Income-tax and Excess Profits Tax Acts: the former had been again amended this year and the latter almost annually since its first appearance in 1940: alterations in the rules and delay in their publication had been of frequent occurrence. All these were factors which had contributed to what the Upper India Chamber described as the "Country's patchwork income-tax legislation" which in turn presented such a bewildering problem to the Administration and the public alike.

On the other hand, there were important considerations to be borne in mind in connection with the suggestion that a complete revision should be undertaken of the taxation code—within eight years of the last Income-tax Inquiry and under existing conditions. Some of the thoughts which on first consideration occurred to the President on this side of the picture, were :—

(*a*) The mere act of revision and codification would not of itself remove the existing causes of difficulty and delay: outstanding assessments would have to be completed in accordance with the law as it now stood and as the difficulties and delays in question arose mainly on the side of administration, the immediate advantages might well lie in the direction of allowing a reasonable period to elapse in which the administration would have a chance, without amendment of the law, to catch up with the arrears that had accumulated.

(*b*) Even if long-term results were aimed at, could Government reasonably be expected under existing conditions, and should they be asked, to undertake the task of revision *now*, bearing in mind :—

(i) the shortage of thoroughly experienced personnel to carry out the investigation ;

(ii) the very important consideration that the existing emergency taxes and high level of taxation might obscure the essential nature of the problem and, in the course of revision of the taxation code, tend to become permanently merged in the taxational system ;

(iii) the existing constitutional and political uncertainty.

In the President's view, the question reduced itself largely to one of whether now was an appropriate time to take action on the lines suggested by the Upper India Chamber. He asked for an expression of the views of the constituent Chambers on the whole issue.

The Committee in reply stated that whilst simplification of the existing taxation assessments was highly desirable, they could not support the suggestion of the Upper India Chamber of Commerce that representations should be made to the Government of India urging the codification of legislation governing taxes on income at the present juncture. Comprehensive legislation of this nature would require a very great deal of work and consequent delay. It would probably be impossible for Government to undertake it, and if it were undertaken there would be grave risk of the permanent incorporation of various features which it was hoped were only of a temporary nature.

The replies received by the Associated Chambers from the constituent Chambers showed that whereas most though not all the Chambers agreed that the existing legislation governing taxes on income stood in need and was capable of simplification, the large majority of them considered the time to be inopportune for the Association to press for re-codification of the legislation.

In the meantime the Upper India Chamber submitted a further letter on the subject amplifying the grounds on which the Chamber's original recommendations were made and in forwarding this to the constitutent Chambers for a further expression of their views the President pointed out that if the objective was a complete review of the existing system of direct taxation of income in order to simplify it, representations on the part of the Association would appear to be precluded unless the replies of the constituent Chambers revealed a change of opinion on the part of the majority. If the objective was that a case should be presented which would—to quote the Upper India Chamber—" act as a strong deterrent against *further* complication by the Hon'ble the Finance Member in future budgets," it would seem that this could best be achieved either by forwarding the correspondence to the European Group in the Central Legislature or by direct representations to Government on these lines alone, i.e., a caveat against the introduction of new provisions and principles until such time as the already overburdened Income-tax Department had been able to catch up with arrears of work and outstanding assessments.

The Committee replied to the Associated Chambers that there was nothing in the further letter from the Upper India Chamber to cause them to alter the view previously expressed by them.

. The Associated Chambers, however, drew the attention of the Finance Department of the Government of India to the difficulties in which the taxing authorities and assessees, particularly commercial and industrial assessees, had been placed as the result of the frequent changes that had been made during the past few years in the Income-tax and Excess Profits Tax Act and to the resulting delays in the completion of assessments. The Association strongly urged that in so far as it was practicable to do so, the Finance Department should refrain, at least until such time as outstanding assessments could be completed, from the introduction of further complicated amendments and new or revised rules. The Associated Chambers also pointed out that the Manual was badly in need of revision to bring it up to date in a more compendious form and expressed a hope that the production of a new edition should be undertaken as soon as possible.

INCOME-TAX REFUNDS AND RELIEFS.

Delay and General Departmental Attitude.

The following circular No. 32 issued by the Central Board of Revenue on the 8th December 1944 is reproduced for purposes of record :—

" Attention is drawn to the Board's circular No. 3 of 1937 dated the 26th April 1937, in which instructions were issued on several matters affecting the interests and convenience of assessees. The matter of prompt disposal of refund claims was dealt with under head IV and a special responsibility was placed on Income-tax Officers to take the initiative where the proceedings or other particulars before them indicated that a refund was due. From complaints received, however, it appears that these instructions are not being uniformly followed and that the attitude of at least some officers at any rate might be more helpful.

2. In this connection the Board's attention has been drawn to the position in the United Kingdom where relations between assessees and the Income-tax Authorities are more harmonious than they are in British India. In the United Kingdom the Department acts on the view that it is its duty to assist the tax-payer in every reasonable way, particularly in the matter of claiming and obtaining refunds and relief. This attitude benefits the revenue, since it inspires the assessee with confidence in the fair-mindedness of the Department. A similar point of view should prevail here.

3. Therefore, although the responsibility for claiming refunds and reliefs rests with the assessee on whom it is imposed by law, officers should—

(*a*) draw the attention of assessees to any refunds or reliefs to which they appear to be clearly entitled but which they have omitted to claim ;

(*b*) freely advise assessees when approached by them as to their rights and liabilities and as to the methods of claiming refunds and reliefs.

4. The following examples (which are by no means exhaustive) indicate the attitude which officers should adopt :—

(*a*) *Section* 18 (3) *and* (3*A*).—The officer should in any appropriate case bring to the assessee's notice the possibility of obtaining a certificate authorising deduction at a rate less than the maximum.

(*b*) *Section* 25 (3) *and* (4).—When an officer is dealing with assessment under either of these sub-sections, he should bring to the assessee's notice the fact that he can claim relief.

(*c*) *Section* 26*A*.—The benefit to be obtained by registration should be explained in appropriate cases.

(*d*) *Section* 33*A*.—Cases in which the Income-tax Officer or the Inspecting Assistant Commissioner thinks that the assessment should be revised should be brought to the notice of the Commissioner.

(*e*) *Section* 35.—Mistakes should be rectified as soon as they are discovered and without waiting for the assessee to point them out.

(*f*) *Section* 60 (2).—Cases where relief can suitably be given under this sub-section should be reported to the Board.

5. While officers should, when requested, freely advise assessees as to the way in which entries should be made in the various forms, they should not themselves make any entry in these forms on the assessee's behalf. And where such advice is given it should be clearly explained to the assessee that he is responsible for the entries in any form signed by him and that he cannot be allowed to plead that they were made under official instructions."

INCOME-TAX.

ALLOWANCE FOR REPAIRS UNDER SECTION 9 (1) (*i*).

(*See Report* 1943, *page* 73.)

It was recorded in the Chamber's Report for 1943 that at the annual meeting of the Associated Chambers of Commerce of India held at Calcutta on the 20th December 1943, the following resolution was adopted:—

"In view of the increased cost of materials and labour and the fact that rents have remained practically unchanged owing to rent restriction orders framed under the Defence of India Act, 1939, and other causes, this Association invites the attention of the Central Board of Revenue to the inadequacy of the allowance of one-sixth of the *bona fide* annual value of property consisting of buildings and lands appurtenant thereto permissible under section 9, sub-section (1), clause (i) of the Income Tax Act (Act XI of 1922) and recommends that it should be made more liberal by suitable amendment of the Act."

The terms of the resolution and the report of the discussion which preceded its adoption were duly communicated to the Government of India.

The Central Board of Revenue replied to the effect that having carefully considered the matter it was unable to agree that an increase in the existing statutory allowances in respect of cost of repairs to property and collection charges was called for.

The Committee presumed from this letter that the Board considered the existing allowance adequate because of the restrictions (under the Defence Rules) against structural repairs, and were not prepared to allow accumulation against what was really post-war work.

INCOME-TAX.

Obsolescence Allowance on Buildings erected for Business Purposes on account of Government War Contracts.

(*See Reports* 1942, *page* 78.)

In September 1944 the Associated Chambers of Commerce of India requested this Chamber's views on the following matter which was brought forward by the Madras Chamber, who in inviting a reference to section 26 (3) of the Excess Profits Tax Act, stated that the effect of this was that the value of any building plant or machinery erected during the war entirely for war work, might be allowed by the Central Board of Revenue as a special charge against the assessment of excess profits.

It was pointed out that many assessees in this country had made substantial capital outlays for the purpose of producing goods or articles entirely for war purposes. In most cases, the contracts were on account of the Government of India and in many cases, the buildings, plant and machinery would have no possible value on the termination of hostilities when presumably, Government contracts would cease. As an example, they had in mind a factory which had been erected for the purpose of dehydrating potatoes and vegetables. It was an entirely separate unit, not adjacent to any other of the company's factories and was useful only for the purpose for which it was built. When dehydration contracts ceased, the factory would be of no further possible use to its present owners.

It was to be noted that for *income-tax* purposes, no special allowance was given. Assessees were, however, fully covered in the case of plant and machinery where a claim for obsolescence would lie under section 10 (2) (vii), when the relative machinery was eventually sold or discarded.

The position was very different in relation to buildings. The maximum depreciation which could be claimed was 15 per cent. and at the moment no obsolescence claim lay. Many of the buildings under consideration, would be sold or scrapped long before their cost had been absorbed by normal depreciation allowances. In the meantime the full income, which the same buildings had earned during the period of Government contracts would have been charged to the existing high rates of income and super tax.

The Madras Chamber suggested that in these circumstances, there was a very good case for asking the Government of India to agree to a special income-tax obsolescence allowance in the case of buildings, which had been the subject of a special allowance under section 26 (3) of the Excess Profits Tax Act.

The Committee informed the Associated Chambers that they considered the suggestion of the Madras Chamber to be reasonable and they supported the request that the Association should address the Government of India in the matter.

INCOME-TAX.

INCLUSION IN ANNUAL RETURN OF EMPLOYEES DRAWING RS. 1,200 AND OVER.

(*See Report* 1943, *page* 78.)

It was recorded in the Chamber's Report for 1943, that the Committee had addressed the Central Board of Revenue in connection with a draft notification, whereby employers were required to include in their Annual Return under section 21 of the Income-tax Act particulars of all employees having under the head "salaries" incomes over Rs. 1,200, instead of the existing figure of Rs. 1,600. In April 1944 a circular letter was issued by the Central Board of Revenue intimating that as the minimum income liable to tax had been raised to Rs. 2,000 in the Indian Finance Act, 1944, it was proposed to restore the old figure of Rs. 1,600 in rules 16 and 17 of the Income-tax Rules. This amendment would have effect for returns for 1944-45 and onwards.

As regards the returns under section 21, for 1943-44, the Board decided that the rules should be relaxed and the limit fixed at Rs. 1,400. Income-tax Officers were instructed not to insist on submission of returns in the case of employees with salary incomes between Rs. 1,200 and Rs. 1,400, if they had not been furnished already.

INCOME-TAX.

ALLOWANCE UNDER SECTION 10 (2) FOR LOSS BY EMBEZZLEMENT OR THEFT.

On the 17th August 1939, the following circular No. 25, was issued by the Central Board of Revenue in regard to the allowance for income-tax purposes of loss by embezzlement or theft by employees :—

"Paragraph 64 (*v*) of the Income-tax Manual (Seventh Edition) reads :—

"Sums embezzled by an employee are an admissible charge against the business of his employer."

In the case of Mulchand Hiralal, however, the Patna High Court has held that a loss by theft is not one of the allowances available to the assessee under section 10. Disagreement was also expressed in that judgment with an earlier ruling of the same Court that a loss by embezzlement was allowable.

Since the above judgment was given the wording of section 10 (2) (xii) has been changed and now corresponds exactly to the wording of the United Kingdom Income Tax Act, 1918, Schedule D, Cases I and II, Rule 3 (*a*), and the Board considers that the interpretation given by the United Kingdom High Court is now more appropriate, and should be followed in India. The point is dealt with very clearly in the judgment delivered by Rowlatt, J., in the case of *Curtis* v. *J. & G. Oldfield, Limited*, IX U.K., T.C. 330, the relevant portion of the judgment reading :—

"I quite think, with Mr. Latter, that if you have a business (which for the purposes of to-day at any rate I will assume) in the course of which you have to employ subordinates, and owing to the negligence or the

dishonesty of the subordinates some of the receipts do not find their way into the till, or some of the bills are not collected at all, or something of that sort, that may be an expense connected with and arising out of the trade in the most complete sense. But here that is not the case at all. This gentleman was the Managing Director of the Company, and he was in charge of the whole thing, and all we know is that in the books of the Company which do exist it is found that moneys went through the books into his pocket. I do not see that there is any evidence at all that there was a loss in the trade in that respect. It simply means that the assets of the Company, moneys which the Company had got and which had got home to the company got into the control of the Managing Director of the Company, and he took them out. It seems to me that what has happened is that he has made away with receipts of the Company *de hors* the trade altogether in virtue of his position as Managing Director in the office and being in a position to do exactly what he likes."

In following the above ruling Income-tax Officers should, before allowing any loss by theft or embezzlement by an employee, be fully satisfied from the evidence that the theft or embezzlement has in fact taken place and that the claim is genuine.

This interpretation should be followed in respect of all cases in which there are pending proceedings (whether assessment, appellate or revisional) but no case should be reopened and no fresh revision petition admitted in respect of years prior to the assessment year 1939-40."

On the 24th May 1944 the following further circular No. 13 was issued by the Central Board of Revenue :—

" Attention is invited to the Board's circular No. 25, of 1939, dated 17th August 1939, in which following the principle set out in the U.K. case of *Curtis* v. *J. & G. Oldfield, Ltd.* (9 T. C. 330), instructions were laid down regarding the allowance of losses arising by theft or embezzlement by employees.

2. It has since been represented that these instructions do not go far enough and that a loss arising by theft by outsiders or through negligence of employees would not be allowed under these instructions. The Board considers, that on the principle recognised in the circular quoted above, losses arising by theft of cash by outsiders or due to negligence of employees should also be allowed if the loss took place in the normal course of business and/or the amount involved was necessarily kept for the purpose of the business in the place from which it was lost. It is impossible to lay down a more precise test than the general one which would apply to all cases and each case must be dealt with on its own facts and circumstances. In applying the general test care should, however, be taken to see that the claim is *bona fide* and that there is unimpeachable evidence to support the actual loss. Where the Income-tax Officer is not fully satisfied on these two points the claim should be refused."

INCOME-TAX.

INSTRUCTIONS OF THE CENTRAL BOARD OF REVENUE.

(*See Report* 1943, *page* 76.)

The following Circular No. 22 issued by the Central Board of Revenue on the 29th July 1944, is reproduced for purposes of record :—

" The following instructions are issued for guidance :—

" 2. *Partition of Hindu Undivided Families.*—It has been brought to the notice of the Board that when an appeal is preferred against the Income-tax Officer's order under section 25A rejecting the claim for partition

set up by some members of a Hindu undivided family, the appeal is disposed of by the Appellate Assistant Commissioner on the contention of the members filing the appeal and that no notice of such appeal is given to the other members. While the Board do not believe that there is any foundation for this, they wish to point out that it would be *prima facie* wrong for the Appellate Assistant Commissioner to decide the point without considering the full evidence recorded by the Income-tax Officer of all the members of the family. In such cases, the Appellate Assistant Commissioner should make it a point to give notice of hearing to all the members of the family before deciding the appeal.

" 3. *Non-resident's British Indian loss to be carried forward and not set off against foreign income.*— ' Total income ' is defined as the total amount of income, profits and gains referred to in sub-section (1) of section 4 computed in the manner laid down in the Act. In the case of a non-resident, his foreign income is not included in his ' total income ' which is to be computed subject to the provisions of section 24. If the ' total income ' is a loss, it has to be carried forward subject to the provisions of section 24 (2) and cannot be set off against any income which does not form part of the ' total income.' Otherwise, a non-resident would not get any relief in British Indian taxation on account of the loss incurred by him in British India.

" 4. *Excess Profits Tax paid abroad by a non-resident.*—For purposes of computing a non-resident's ' total world income ' his foreign income should be taken after allowing deduction in respect of any excess profits tax paid by him abroad, in accordance with the principle of section 12 of the Excess Profits Tax Act.

" 5. *Expenditure incurred in connection with local festivals besides Diwali and Mahurat.*—Attention is invited to Board's circular No. 17 of 1943/C No. 27 (2)-IT/43 dated the 6th May 1943 regarding the allowance of expenditure incurred in connection with *Diwali* and *Mahurat.* (See Chamber's Report 1943, page 76.) It should be understood that the instructions in the circular apply also to the expenditure incurred on the corresponding auspicious days for starting new accounts observed in other parts of India subject, of course, to the maximum specified in the circular."

INCOME-TAX APPELLATE TRIBUNAL.

(*See Reports*, 1942, *page* 68 ; 1943, *page* 70.)

It was recorded in the Chamber's Report for 1943 that at the annual meeting of the Associated Chambers of Commerce of India held at Calcutta in December 1943, a resolution in the following terms was adopted unanimously :—

" This Association requests the early attention of the Government of India to the following matters connected with the practice and procedure before the Income-tax Appellate Tribunal :—

" 1. That the request for the establishment of local Registrars for filing of applications and for facilitating communications with the local Benches, be reconsidered.

" 2. That the decisions of all Benches of the Tribunal be made available to the public, if necessary by the amendment of section 54 of the Income-tax Act, and

" 3. That the Government of India take an early opportunity, in consultation with commercial interests, of revising where necessary various provisions of the Income-tax Appellate Tribunal's Rules and Forms and the practice obtaining thereunder."

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The text of the resolution and a copy of the debate which preceded its adoption were duly forwarded to the Legislative Department of the Government of India who replied that they had carefully considered the suggestions embodied in the resolution in the light of the observations made in the speech of Mr. Rowan Hodge, the mover thereof, but were unable to reconsider their decision in the matter of either the establishment of local Registrars for filing of applications and for facilitating communications with the local Benches of the Tribunal or the publication of the decisions of the Tribunal for the benefit of the public. In this connection, Government stated that due regard had been paid to the point made by Mr. Hodge in support of the request for the establishment of local Registrars, namely, that there was no discretion vested in the Tribunal to extend the time-limit prescribed in section 66 (1) of the Act for making applications to the Tribunal to state a case to the High Court, but so far as the Government of India were aware no instances of hardship caused to assessees on account of the absence of such discretion had been brought to the notice of the Tribunal.

As regards the suggestion for revising the rules of the Income-tax Appellate Tribunal, Government pointed out that the Tribunal recently made numerous amendments in the Appellate Tribunal Rules and they were published in the *Gazette of India* dated the 23rd July 1943 for public information. The Tribunal had, however, no objection to consulting commercial interests in the matter of amending the rules and the Chambers interested in the matter might send concrete proposals regarding the required changes in the rules. The Tribunal would give its closest attention to such suggestions.

The power to make amendments in the forms was vested in the Central Board of Revenue. They had already taken up the question of the revision of the existing form R (T) mentioned by Mr. Hodge and the revised form was notified in the *Gazette* of the 28th August 1943 for eliciting objections up to the 29th September 1943 and would be finally published shortly. The Tribunal would, however, be pleased to receive suggestions or objections regarding the other forms in force and forward the same to the Central Board of Revenue with its own recommendations thereon for consideration.

In forwarding to constituent Chambers a copy of the above reply from the Government of India, the Associated Chambers of Commerce of India requested the Chambers which desired to comment or were in a position to supply information on any of the points dealt with in the Government of India's letter, for the sake of clarity to do so as far as possible under the following main heads :—

(i) *Establishment of local Registrars* in which connection it would be noted that according to the Government of India no instances had been

brought to the notice of the Tribunal of hardship to assessees caused by the absence of discretion to the Tribunal to extend the time limit prescribed in section 66 (1) of the Act for making application to the Tribunal to state a case to the High Court.

(ii) *Publication of decisions of the Tribunal for the benefit of the public.*

(iii) *Revision of the rules and forms of the Income-tax Appellate Tribunal* in which connection it would be noted that concrete proposals for the amendment of the rules in question and of the existing forms were invited.

After consulting the Income-tax Sub-Committee the Committee replied as follows :—

Establishment of Local Registrars.—Item (i) referred to the hardship to assessees caused by the absence of discretion on the part of the Tribunal to extend the time limit prescribed under section 66 (1) of the Act for making applications to state a case with the High Court. The Committee still considered that the period of limitation should not be circumscribed as it was at the moment, particularly in view of the time taken in correspondence by mail under existing conditions. A member firm pointed out that in the case of *Wallace Bros. & Co., Ltd.* vs. *The Commissioner of Income-tax*, a test case was conducted at the instance of the London Chamber of Commerce and superintended by counsel in London. The application for reference was made to save limitation, with questions of law framed in Bombay. London counsel framed an entirely fresh set of questions and it was with some difficulty that these were referred to before the Tribunal. In its reference to the High Court the Tribunal stated that the assessee company sought permission to amend the application by substituting for the questions proposed a different set of questions, and that it appeared from a certain question that the contention raised therein was put forward for the first time at a very belated stage. The Tribunal finally, however, permitted the substituted questions to form part of the Appeal Paper to the High Court.

Publication of decisions of the Tribunal for the benefit of the public.—Item (ii)—This question was discussed with Mr. Ayers and Sir John Sheehy at their meeting with the Committee of this Chamber held on the 18th August 1942. It would seem that in cases where the Tribunal had decided a similar point in the past the actual decision in that case would be laid open to the assessee appealing so that he might consider it, and that if as a result of his arguments the matter required reconsideration the point under appeal would be put before a full Bench. This was entirely satisfactory as it stood, except that the difficulty arose where the party concerned did not know during the course of the appeal whether a similar case had been decided in the past, and there was in consequence little time to consider the Appellate judgment in the previous case. The President of the Bombay Tribunal had stated unofficially that he would allow an adjournment for

the purpose of considering a previous judgment, and it was suggested that if some such practice was introduced in Bengal it might alleviate the difficulty now apparently experienced.

Revision of the Rules and Forms of the Income-tax Appellate Tribunal.—Item (iii)—In practice little difficulty had been found in Bombay as regards the forms. Furthermore, the Tribunal usually allowed fresh evidence on a particular point to be laid, and especially, affidavit evidence.

In conclusion, the Committee suggested that insufficient emphasis had been laid on Mr. Rowan Hodges' point in column 2 at page 16 of the proceedings of the Associated Chambers of Commerce held on the 20th December 1943. There was a very great time lag between the final hearing of the appeal and the Tribunal delivering judgment. In many cases points that had been argued had not been dealt with in the judgment, and on some occasions facts stated and points of law had been made which were neither stated nor argued before the Tribunal at the hearing.

At the annual meeting of the Associated Chambers held at Calcutta on the 14th December 1944, the following resolution moved by the Bengal Chamber, was adopted unanimously:—

"This Association reiterates the request unanimously made by resolution a year ago that the early attention of the Government of India be given to the following matters connected with the practice and procedure before the Income Tax Appellate Tribunal:—

(1) That the demand for the establishment of local Registrars for filing of applications and for facilitating communications with the local Benches be reconsidered;

(2) That the decisions of all Benches of the Tribunal be made available to the public.

INCOME-TAX AND EXCESS PROFITS TAX.

Delay in Payment of Bills by Government Departments.

It was brought to the notice of the Chamber that certain firms engaged on Government contracts had been placed in an anomalous position by the demands for payment under the Excess Profits Tax Ordinance (provisional assessment under section 14A(3)) on the one hand, while on the other, considerable sums were tied up in the necessary material required for such contracts and in accounts outstanding against Government.

Instances resulting in financial embarrassment had occurred where loans had to be arranged to meet the demands of the Excess Profits Tax Officer and appeals had been unsuccessfully made to the Commissioners to defer requests for payment until at least a portion of the amounts due from Government had been paid.

As a result of representations to the Finance Department, Government of India, the Income-tax Commissioners were instructed that they might in their discretion allow reasonable extensions of time in specially hard cases.

INCOME-TAX AND EXCESS PROFITS TAX.

Delays in Assessment of Sterling Companies.

The following Circular No. 33 issued by the Central Board of Revenue on the 8th December 1944 is reproduced for purposes of record :—

"The Board observes with concern the inordinate delay that occurs in the completion of income-tax and consequently of excess profits tax assessments of sterling companies. It would appear that in several cases the British Indian assessments are as much as two years behind the corresponding U.K. assessments. Such delay, besides causing inconvenience to the assessee by reason of his having to meet tax demands for more than one year at a time, leads to the accumulation of pending cases from year to year to the detriment of the normal progress of assessment and collection of revenue. From the current year onwards this has an added significance from the revenue point of view since under the 'Pay-as-you-earn' scheme the assessee has to pay tax on the basis of his *last assessed income* if he does not exercise the option of paying it on the basis of his own estimate of current earnings. Income-tax and Excess Profits Tax Officers should therefore be directed to take special measures to clear off pending sterling companies assessments with the utmost expedition. Where the delay is due to default on the part of the assessee in making returns, etc., the officer should, having regard to all the relevant circumstances, fix a definite and reasonable time limit and if the assessee fails to comply with the notices by the date fixed there should be no hesitation in proceeding with and completing the assessments under the provisions of law as in other cases.

Commissioners of Income-tax should send at the end of each year a report showing the number of assessments of sterling companies, both for income-tax and excess profits tax outstanding on the 1st April together with detailed reasons for the delay."

INCOME-TAX AND SUPER-TAX ADVANCE PAYMENTS.

Delays in Cashing Cheques.

A complaint was received from a member in regard to the inordinate delay that had taken place in the encashment of a cheque issued by them in favour of the Treasury Officer, Calcutta, for an instalment of advance payment of income-tax and super-tax. The Treasury Officer when asked to explain the undue delay stated that the cheque was received in his office on 15th September 1944 and was sent to the Reserve Bank of India, Calcutta, on 3rd October 1944 and the amount was credited on the following day, i.e., the 4th October 1944. His office closed for *Id* and *Durga Puja* holidays from the 17th September and reopened on

the 3rd October, when the cheque in question was sent to the bank. He also pointed out that as a matter of fact, cheques presented in his office during the last three working days of the month were not sent to the bank before the first of the following month under instructions from the Accountant General, Bengal.

The Committee suggested to the Bengal Chamber of Commerce that that body might care to take up this question of inordinate delay with the Finance Department. There would seem no good reason why the cheque in question was not paid into the Bank by the Treasury on the 16th September. The Committee also suggested that the representation might well include the suggestion that Government Treasuries should not remain closed for a longer period than the banks. In this case, the Treasury was not open for business from the 17th September to the 3rd of October, and in any case there could be no question that all cheques received before its closing for the holidays should have been paid into the Reserve Bank.

The Bengal Chamber subsequently informed this Chamber that the Central Board of Revenue had been addressed in the matter.

EXCESS PROFITS TAX.

Compulsory Deposits.

The following circular No. 4 issued by the Central Board of Revenue on the 28th August 1944, is reproduced for purposes of record :—

The Board directs that where any assessee complains that in respect of a chargeable accounting period ending before 1st January 1944, the aggregate of the amounts of excess profits tax, income-tax and super-tax on the excess profits and the compulsory deposit at the rate of one-fifth of the excess profits tax, exceeds the amount of the excess profits, a reduction in the amount of the deposit should be allowed as an executive concession so that the assessee does not pay by way of taxation and deposit more than 100 per cent. of the excess profits. The concession will be necessary only where the income-tax and super-tax payable on one-third of the excess profits exceeds one-fifth of the excess profits. In such a case the deposit required should be reduced by such a sum as will secure that the sum remaining deposited or required to be deposited together with income-tax and super-tax on the excess profits does not exceed one-half of the excess profits tax payable. Where a greater deposit than that required by this circular has actually been made the excess should be refunded. The following is an example in the case of an individual :—

	Rs.
Profits	35,00,000
Standard	5,00,000
Excess profits	30,00,000

			Rs.
Excess profits tax			20,00,000
Income-tax and super-tax on Rs. 15,00,000 (Rs. 35,00,000—Rs. 20,00,000) at 1943 Finance Act rates			12,62,279
Proportionate income-tax and super-tax on Rs. 10,00,000 (Rs. 30,00,000 excess—Rs. 20,00,000 E.P.T.)			8,41,519
Under section 10, Finance Act, 1942, a deposit is required of 1/5th of the E.P.T.	Rs. 4,00,000		
E.P.T. payable on the Excess Profits, i.e.	20,00,000		
I.T. and S.T. payable on the Excess Profits, i.e.	8,41,519		
a total of			32,41,519
which exceeds the Excess Profits of			30,00,000
by			2,41,519
the deposit should therefore be reduced by			2,41,519

2. In the case of a registered firm or an unregistered firm assessed under section 23 (5) (*b*) of the Income-tax Act, the aggregate of the income-tax and super-tax payable by all the partners in respect of their shares in the excess profits of the firm should be taken into account in arriving at the reduced amount of the deposit required.

3. In the case where any reduction is made in accordance with these instructions appropriate entries should be made in column 8 or 9 (if a deposit made has to be partially refunded) and in column 10 of Form E.P. 40 with a clear note in red ink that the reduction or refund has been made on the authority of this circular. This is most important in order to avoid the possibility of double refund of the same amount when after the war deposits made under the section in question have to be refunded.

EXCESS PROFITS TAX.

METHOD OF COMPUTING DEPOSITS UNDER SECTION 8(3) OF THE INDIAN FINANCE ACT, 1944.

The following copy of circular No. 2, issued by the Central Board of Revenue on the 8th May 1944, is reproduced for purposes of record :—

The following extract from a letter No. 8 (18)-E.P./44, dated 5th May 1944, from Sir John Sheehy, C.S.I., I.C.S., Member, Central Board of Revenue, to the Editor, *Commerce*, Bombay, is issued for the guidance of all officers :

" The following are examples of E.P.T. deposits in relation to income-tax, corporation tax or super-tax and excess profits tax, taking the standard profits to be the minimum :—

Companies.			Rs.
Profits			5,00,000
Standard profits			36,000
Excess Profits			4,64,000
	Rs.		
E. P. Tax	3,09,333		
Income-tax and corporation tax on Rs. 1,90,667 (assuming that no dividend has been declared) at 6½ annas per rupee	77,459		
E.P.T. deposit 19/64 Rs. 3,09,333	91,833		
			4,78,625

		Rs.
Which represents—		
(i) the entire excess profits		4,64,000
(ii) income-tax and corporation tax on standard profits at 6¼ annas in the rupee		14,625
		4,78,625

Non-companies.

(Profits, standard profits and excess profits are as above.)

E. P. Tax		3,09,333
Income-tax and super-tax at graded rates on Rs. 1,90,667*		1,10,466
of which the portion appropriate to the part excess profits of Rs. 1,54,667 = 89,609† which exceeds 15/64 of the E.P.T. of Rs. 3,09,333, i.e., Rs. 72,500 so that the correct amount of E.P.T. deposit in this case will be :—	Rs.	
¼ of Rs. 3,09,333	= 1,54,667	
Less—I. T. and S. Tax on the excess profits..	89,609	
		65,058
		4,84,857
which represents—		
(i) the entire excess profits		4,64,000
(ii) income-tax and super-tax proportionate to the standard profits ..		20,857‡
		4,84,857

*Standard profits	36,000	
Part of excess profits	1,54,667	
	1,90,667	

$$\dagger \text{ Rs. } 1,10,466 \times \frac{1,54,667}{1,90,667}$$

$$\ddagger \text{ Rs. } 1,10,466 \times \frac{36,000}{1,90,667}$$

This example, for simplicity's sake deals only with assessees such as individuals and Hindu undivided families with no other income except that to which the Excess Profits Tax Act applies. Where there is other income it will have to be taken into account in arriving at the income-tax and super-tax rates on the balance of the excess profits. But that will not affect the final result, viz., the immobilisation of the whole of the excess profits. There will be, however, cases in which owing to low rates of income-tax and super-tax the amount of the income-tax and super-tax payable on the balance of the excess profits is equal to or less than 15/64 of the E.P.T. payable. These will be mainly cases of partnerships where the individual partners' personal rates of income-tax and super-tax will be applicable. In such cases the whole of the excess profits will not be immobilised.

In practice, the way in which the provision will work for a partnership will be that at the time the E.P.T. assessment on the firm is made the firm will have to deposit 17/64 of the E.P.T. Later, when the individual partners' assessments are completed and the total amount of the income-tax and super-tax on the balance of the excess profits is known, any refund due under the provision in question will be made."

EXCESS PROFITS TAX.

TRANSFER TO RESERVES OF AMOUNTS EQUAL TO COMPULSORY DEPOSITS.

At the time of consideration of the Indian Finance Bill in the Legislative Assembly in March 1944, the Leader of the European Group in the Central Legislature referred to the desirability of amending the Indian Companies Act, 1913, so as to confer on the directors of companies the power to set aside to reserves amounts equal to the compulsory deposits required to be made by the companies under section 2 of the Excess Profits Tax Ordinance, 1943, as modified by section 8 (3) (*a*) of the Indian Finance Act, 1944.

In August 1944 Mr. Sukthankar, C.I.E., I.C.S., of the Department of Commerce of the Government of India, in a letter to the Leader of the European Group, stated that the Government of India had carefully examined the suggestion but did not consider that the position would in any way be improved by giving power to the directors to place the amounts of compulsory deposits to reserve. The object of conferring such a power was apparently to remove the amount from the reach of the shareholders, but the same object was attained by the compulsory nature of the deposit itself. As long as the amounts remained deposited with the Government, they were locked up and the shareholders could not reach them. It was, of course, possible that though the deposits themselves might not be available for distribution, the shareholders would claim higher dividends out of past profits. Under Regulation 97 of Table A of the First Schedule to the Indian Companies Act, 1913 (which was a compulsory regulation), past profits were always available for distribution as dividend and whether the deposits were treated as reserve or not would not affect the position of past profits so far as their liability to distribution was concerned. The Government of India, therefore, felt that any amendment of the Indian Companies Act, 1913, on the lines suggested would not serve any useful purpose.

In addressing Mr. L. Gwilt, M.L.A., on the subject, the Committee pointed out that the Government of India did not appear to have appreciated the point involved.

Regulation 97 of Table A merely said that no dividends should be paid otherwise than out of profits of the year or other undistributed profits. It did not restrict or extend the power of directors with respect to reserves.

Regulation 99 which was not compulsory, gave the directors the powers which the Committee asked should be given to all directors ; in respect, at least, of profits intended to be immobilised by the compulsory deposit.

The object of removing the amount from the reach of the shareholders was not attained by the compulsory nature of the deposit. Any funds and investments could be realised for the purpose of the deposit, and it would be quite legal to regard that merely as a change of investments.

The position as it appeared to the Committee was this. The compulsory deposit was not an appropriation of profits, like income-tax, it was purely a demand for cash. The shareholders might refuse to pass an appropriation to reserve to cover it, if the Board had no power to make the transfer themselves.

The shareholders could not touch existing reserves without the consent of the Board, and were not likely to grumble if the Board (when it had the power) put amounts to reserve equal to the compulsory deposit. What they were likely to do, as was pointed out by the Hon'ble Mr. R. H. Parker and Sir Henry Richardson in their speeches, was to ask for higher dividends when they saw such large amounts in the carry forward. These amounts would increase every year.

The Committee expressed a hope that the Group would continue to press the point. They also addressed the Commerce Department of the Government of India on the above lines and at the same time pointed out that although there might be no legal difference between the amounts of deposits being included in reserve, and the amounts being included in the carry forward, anyone with experience of human nature in general and certainly of Directors and shareholders of companies in particular, knew that the psychological effect of the one was quite different from that of the other. Both directors and shareholders were far more inclined to pay higher dividends if the carry forward was being substantially increased than they were if reserves were being increased. If large deposits had been carried forward for a number of years and were hereafter returned and became part of the accumulated profit and loss account, there would certainly be a considerably greater inclination to pay larger dividends than there would be if the amounts were in reserve funds. On the whole, the results of this were likely to be bad, as it would probably be wiser for most companies to use such deposits to finance replacements or additions rather than for payment of high dividends.

Government were urged to amend the Indian Companies Act, 1913, in the manner suggested.

EXCESS PROFITS TAX.

Receipts for Deposits.

In July 1944, the Associated Chambers of Commerce of India requested the views of this Chamber on a suggestion of

the Upper India Chamber that the Government of India should be urged to issue Deposit Receipts giving full particulars of all payments in connection with both voluntary and compulsory deposits in respect of excess profits tax. It was suggested that Government might oppose such a recommendation on the ground that any such deposit receipt would be negotiable, but in that case the remedy lay with Government as they could specifically stipulate that such receipt was non-negotiable.

The Committee supported the proposals of the Upper India Chamber of Commerce.

Subsequently the Associated Chambers requested a further expression of the views of the Chamber on the following points :—

(*a*) *The form* of deposit receipt or certificate which the Central Board of Revenue should be asked to grant.

(*b*) *Negotiability :*

(i) whether this aspect of the question should be deliberately avoided in addressing the Central Board of Revenue ;

(ii) whether full negotiability should be urged ;

(iii) whether limited negotiability should be urged and, if so, in what respects and to what extent it should be limited ;

(iv) whether it should be represented that the deposit receipts or certificates granted should be non-negotiable.

In reply the Committee stated that in their view the form of deposit receipt or certificate which the Central Board of Revenue should be asked to grant, should include the following particulars :

(1) the amount deposited ;
(2) the date of deposit ;
(3) the rate of interest ;
(4) the terms of re-payment.

As regards the question of negotiability, the Committee were of opinion that deposit receipts or certificates granted should be non-negotiable, but in replying to Government, they suggested that it should be pointed out that the granting of a receipt must not affect the right of an assessee being able to obtain from the Income-tax Office at any time a certificate showing the balance of his deposit at that date.

EXCESS PROFITS TAX ACT, 1940.

PROCEEDINGS UNDER SECTIONS 10, 10A AND 16.

The following Circular No. 3 issued by the Central Board of Revenue on the 28th June 1944, is reproduced for purposes of record :—

" Cases have been noticed in which action has been taken by the Excess Profits Tax Officer imposing a penalty under section 16 or applying the provisions of section 10 or 10A without the assessee having been given an

opportunity of showing cause why the provisions of such section should not be applied. With a view to the avoiding of unnecessary appeals the Excess Profits Tax Officer who intends to apply any of such provisions should give the assessee notice of his intention and should call upon him to state his objection, if any, to the proposed action.

"Although proceedings under section 10, 10A or 16 are not legally required to be initiated before the completion of the assessment proceedings, it is nevertheless desirable that wherever possible notice of intention for the proposed action should be given in the course of the assessment proceedings and those proceedings completed along with the assessment proceedings. If penalty proceedings under section 10 or 16 cannot be completed along with the assessment, they should be completed as soon as possible after the assessment and without any undue delay."

EXCESS PROFITS TAX.

Disallowance in Assessment to Ceylon Income-tax.

(*See Report* 1943, *page* 84.)

It was recorded in the Chamber's Report for 1943 that the Committee had requested the Central Board of Revenue to make representations to the Ceylon Government in regard to the disallowance by the latter of Indian excess profits tax as a charge in the computation of profits for the purpose of Ceylon income-tax.

The Central Board of Revenue, however, stated that the effect of the absence from the Ceylon Excess Profits Tax Ordinance of a provision corresponding to that in section 12 (2) of the Indian Act was a matter which related to the taxation policy of a Colonial Government. It was, therefore, considered that the initiative in this respect should not be taken by the Government of India and that the appropriate action should be the submission of the question in specific form to the Ceylon Government in the first instance.

In view of the above reply the Committee enquired of the Ceylon Chamber whether it would be prepared to take part in a joint representation to the Ceylon Government on the subject. That Chamber, however, did not consider that it would be helpful for it to make a joint representation with the Bombay Chamber in the matter but promised to assist by appointing a representative to take part in any discussion that might result from any representation which the Bombay Chamber might make to the Ceylon Government.

The Committee accordingly again addressed the Central Board of Revenue and stated that they felt that any representation by this Chamber to the Ceylon Government should be made jointly with a body which was subject to the Ceylon Government. Being themselves subject to the Government of India, this Chamber had no standing with the Ceylon Government and, moreover, the Committee felt that any approach to a foreign Government should, in the ordinary course of diplomacy, be

through a representative of their own Government. A representation of this Chamber would probably meet with a blank refusal, after which the Ceylon Government would be mainly concerned in justifying its original refusal, and would show a marked disinclination to reverse it at the instance of the Government of India.

The Committee considered that it was more than justified that the Ceylon Government should give double income-tax relief on sums which had suffered double taxation though under different names, and they saw no reason why the Ceylon Government should profit by the introduction of excess profits tax in British India to retain tax which otherwise they would have refunded without question. The Committee added that from 1944-45, as the whole of the excess profits were absorbed by taxation and deposits the portion thereof which also bore income-tax in Ceylon and not in India bore more than 100 per cent. The Ceylon income-tax rate was 18 per cent.

The Committee at the same time requested the London Chamber of Commerce to make suitable representations to the Secretary of State for India in order that appropriate action might be taken in conjunction with the Colonial Office to persuade the Government of Ceylon to remedy the position.

The Committee were informed by the Central Board of Revenue that the matter was being taken up with the Department of Commonwealth Relations, Government of India.

EXCESS PROFITS TAX.

Passages and Leave Salaries Reserves.

The following Memorandum C. No. 10 (1)-EP/44, issued by the Central Board of Revenue on the 1st June 1944, is reproduced for purposes of record :—

"In a number of cases where employees are entitled by the terms of their contract with their employers, to periodical overseas leave with pay (usually at the full rate) plus passage money, the conditions during the war have been such that they have not been able to take that leave and the employer, recognising his contractual liability, sets aside out of profits sums calculated to represent the liability that has accrued up to date with a yearly addition thereafter to such reserve to meet the payments that will have to be met after war-time conditions have ceased. If, in any case, it is claimed that such post-war expenditure relates to chargeable accounting periods, either wholly or in part, and that the sums set aside should accordingly be allowed as a deduction from profits for E.P.T. purposes, the claim should be allowed provided :—

(*a*) that the amount in question has been specifically calculated in respect of each employee in question and,

(*b*) that the employer has bound himself to pay the sums in question when circumstances permit.

It will, however, be necessary to apply Rule 11 of Schedule I to the sum initially reserved in respect of each employee but it should be applied only to determine how much of the reserve relates to the period up to 31st August 1939 and how much to the period commencing 1st September 1939, and ending with the date as at which the reserve is made, the proportion attributable to the latter period being allowed as a deduction from the profits of the C.A. period in question, without being distributed over the various C.A. periods from 1st September 1939 onwards. As regards subsequent additions to the reserve, they should, subject to the foregoing conditions, be wholly allowed as a deduction from the profits of the chargeable accounting periods to which they relate.

If the period up to 31st August 1939 covered by any reserve includes the standard period or any part of it, the standard profits will need modification by deduction under Rule II, Schedule I of the appropriate portion of the reserve.

Before allowance is made on the lines indicated above an undertaking must be obtained from the assessee that if by reason of death or any other cause, the part of the reserve attributable to any employee ceases to be payable either wholly or in part, the E.P.T. assessments shall be so modified as to cancel such allowance."

EXCESS PROFITS TAX.

RESTRICTIONS ON AMOUNT OF BONUSES AND COMMISSIONS AND QUANTITIES OF TRADING STOCKS OF RAW MATERIALS.

(*See Report* 1943, *page* 90.)

In January, 1944, the Associated Chambers of Commerce of India, in forwarding for the information of the Chamber copies of the minutes of the informal discussion which took place at the annual meeting of the Association on the 20th December 1943, requested the views of the Chamber on a proposal of the Bengal Chamber that the proposed rules should be replaced by a general directive to Excess Profits Tax Officers as to the lines on which they should apply the existing law.

The Committee informed the Associated Chambers that they agreed that a directive to Excess Profits Tax Officers was infinitely preferable to any rigid set of rules provided the directive took full account of the principles which both the Bombay and Bengal Chambers enunciated last year.

The Chamber was informed subsequently that replies had been received from ten of the constitutent Chambers. Of these, seven Chambers supported the idea of a directive in preference to rigid rules, provided, of course, the directive took full account of the principles enunciated by the Bengal and Bombay Chambers. One Chamber preferred definite rules on the lines proposed by that Chamber ; and the remaining two had no comments to make.

The President of the Associated Chambers also discussed the subject with the Hon'ble the Finance Member and the spokesman of the European Group in the Central Legislature also

asked for assurance from the Finance Member that the draft rules would be dropped. The Finance Member in replying stated that the rules had been drafted for anti-inflationary purposes. If the anti-inflationary steps which had been included in the Finance Bill were effective for securing the desired object, then the contemplated rules would be held in abeyance. If, on the other hand Government were to find themselves again in the position in which drastic action had to be taken, it would be necessary to consider what further measures should be taken up. The Finance Member, however, made it clear that even though these proposals might be held in abeyance, the provisions of section 10 (2) (x) of the Income Tax Act dealing with bonuses and commissions, section 10 (2) (xii) dealing with expenditure not wholly and exclusively incurred for the purpose of the business, and Rule 12 of Schedule I of the Excess Profits Tax Act which dealt with expenses incurred that were unreasonable and unnecessary, these provisions would of course remain in force and would be as hitherto applied in suitable cases.

The Central Board of Revenue later confirmed to the Chamber that the Government of India did not propose to proceed with the draft rules for the moment.

EXCESS PROFITS TAX.

Legal and Accountancy Charges in connection with Determination of Standard Profits.

It was represented to the Chamber by a member that legal and accountancy charges in connection with application to the Central Board of Revenue for determination of standard profits under section 26 (1) and section 6 (3) of the Excess Profits Tax Act were being disallowed to assessees for excess profits tax purposes. In the first instance, the Committee inquired of the London Chamber of Commerce as to whether such charges were allowed by the United Kingdom authorities and on being informed that the costs of normal application for substituted standard were allowed both for income-tax and excess profits tax the Committee addressed the Central Board of Revenue in the matter. They pointed out that as these applications involved consideration of standard profits and as determination of standard profits was a part of the original assessment proceedings, they urged that these charges should in all fairness be allowed. These proceedings were in no sense a question of appeal but a part of original proceedings as without the determination of standard profits no assessment in regard to excess profits tax could be proceeded with. The Committee expressed a hope that early consideration would be given to the question and the necessary instructions issued to the various Income-tax Officers concerned.

The Committee were subsequently informed that instructions already existed that reasonable expenditure incurred in connection with sections 6 (3) and 26 (1) applications should be allowed both in connection with income-tax and excess profits tax.

EXCESS PROFITS TAX.

POST-WAR TAXATION ON PROFITS OF INDUSTRY.

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta on the 20th December 1943 a resolution in the following terms was adopted unanimously :—

"This Association urges the Government of India to give an assurance to industry that, on the termination of excess profits tax, all revenue expenses incurred or accrued in earning these excess profits but not already included as a charge because of their indeterminate nature will be allowed as a deduction in computing the final liability to excess profits tax and that refunds of such tax in adjustment thereof will be made should the tax have been removed."

The terms of the resolution and of the debate preceding its adoption were in due course forwarded for consideration to the Government of India, Finance Department (Central Revenues), who on the 21st June 1944 replied that in moving the resolution Mr. Younie asked for an assurance such as that given in the House of Commons by the Chancellor of the Exchequer, viz., that steps would be taken to see that all expenses of a revenue nature which had been incurred in earning the excess profits would be allowed as a deduction in computing the liability to excess profits tax. The Government of India gave such an assurance but added that they were not prepared at that stage to commit themselves to any detailed proposals for giving effect to the assurance.

INDIAN COMPANIES ACT, 1913.

ADVERTISEMENT OF MEETINGS IN LOCAL NEWSPAPERS.

In April 1944 the Government of India invited observations from the Associated Chambers on the provisions of Regulation 113 of Table A of the first schedule to the Indian Companies Act of 1913, which required that an advertisement should be given in local newspapers to notify the general meeting of a company to those members residing outside, but having no registered address in British India. It had been represented to the Government of India that the advertisements in the newspapers in this respect did not serve any useful purpose but that Regulation 113 being a compulsory regulation under section 17 of the Indian Companies Act, it was obligatory on a company to observe its provisions. It was therefore suggested that in order to save the advertisement space in the newspapers the provisions of Regulation 113 should be suspended for the duration of the war.

The Government of India also felt that it was doubtful whether the advertisement notice to members non-resident in British India really served any useful purpose and that whatever value it might have in peace time, it would not be appropriate to insist upon a compliance with the requirements of Regulation 113 in war time, having regard to the pressure on the limited space available in newspapers. It was, therefore, proposed to provide that for the duration of the war a notice prominently displayed in the registered office of a Company would be deemed to be sufficient notice of a general meeting to non-resident members who had not supplied to the company addresses within British India.

The suggestion received the full support of the Committee who informed the Associated Chambers that they were of the opinion that under present-day conditions Rule 113 served no useful purpose either during or after the war and recommended its permanent deletion.

INDIAN COMPANIES ACT, 1913.

Proposed amendment of Section 86F.

On the 31st March 1944 a Bill was introduced in the Central Legislative Assembly with the object of amending the Indian Companies Act, 1913. In the statement of objects and reasons appended to the Bill it was mentioned that section 86F was enacted to ensure honesty of dealings on the part of a company's director and to secure the interests of the company. However, it had been found that the provision was not enough to achieve this object. Instances had occurred where a director who infringed this provision managed to get elected director of the same company. The present section 86F which provided that the office of such a director should be vacated did not act as a strong deterrent against any infringement of section 86F. The object of the proposed amendment was to provide such a deterrent by rendering him ineligible for election as a director of the company for a number of years and imposing a heavy fine on him.

In replying to the European Group in the Central Legislature who had referred the Bill to the Chamber, for opinion the Committee stated that they opposed the terms of the Bill and pointed out that in large commercial centres where the managing agency system prevailed, the directors of companies in many cases were interested in a large number of other concerns, and the amendment might have dangerous implications. Its operation in practice would be open to much abuse, and in any case, the remedy in regard to re-election of a dishonest director lay in the hands of the shareholders.

INDIAN COMPANIES ACT, SECTION 277H.

BANKING COMPANIES.

(*See Reports*, 1929, *Volume* I, *page* 60 ; 1930, *Volume I*, *Page* 17 ; 1940, *page* 47 ; 1941, *page* 48 ; 1943, *page* 62.)

On the 7th February 1944, a Bill further to amend the Indian Companies Act, 1913, was introduced in the Central Legislative Assembly. The Bill was designed to insert a new section after section 277H which was to be section 277 HH and which prohibited after two years from the commencement of the Indian Companies Act, 1944, any banking company to employ or be employed by a managing agent, or any person whose remuneration or part of whose remuneration took the form of commission or a share in the profits of the company or any person having a contract with the company for its management for a period extending 5 years at any one time, always provided that such contract might be renewed or extended for a further period of not more than 5 years as the company by resolution passed at a general meeting authorised.

Moreover, it provided for the substitution of a new section for section 277I, Act VII of 1913 and this appeared only to affect such banking companies incorporated under the Act on or after the 15th day of January 1937.

In the statement of objects and reasons appended to the Bill it was mentioned that certain undesirable features in the structure and management of banking companies had of late come to notice such as, (i) the appointment of managing directors or managers on long-term contracts on payment of remuneration by commission or a share in the profits ; (ii) the fixation of the authorised capital at a very high figure as compared with the subscribed and paid-up capital ; (iii) the possession of large voting rights by an individual or a small group of individuals, usually partly-paid ordinary or deferred shareholders.

The first of these was contrary to the spirit of section 277H of the Indian Companies Act, 1913, though not at the moment expressly prohibited. The second gave the public a false impression of the status and importance of the bank. The third enabled an individual or a small group of individuals to concentrate in his or their hands the control of the company's activities, thereby facilitating the undertaking of unsafe or speculative business, to the detriment of the interests of the depositors.

It was deemed desirable that these objectionable features should be removed by suitable amendments of the Indian Companies Act, 1913, and at the same time, it was considered that some time should be given to the existing banking companies which might be affected by the amendments, to adjust themselves to the requirements of the amended law.

The Bill made the necessary provisions with a view to meeting the objects mentioned above.

In response to a request from the European Group for the Chamber's views on the Bill, the Committee stated that they supported it *in toto* but they suggested that in order to avoid possible ambiguity the phrase "on or after the 15th day of January 1937" in clauses (1) and (2) of section 39 of the Bill should be altered to "after the 14th day of January, 1937."

The Bill was passed by both Houses of the Legislature in its original form and was brought into force on the 1st July 1944 (Act IV of 1944).

BANKING COMPANIES BILL.

(*See Reports*, 1929, *Volume I, page* 60 ; 1930, *Volume I, page* 17 ; 1940, *page* 47 ; 1941, *page* 48 ; 1943, *page* 62.)

On the 16th November 1944 a Bill was introduced in the Legislative Assembly which had for its object the consolidation and amendment of the law relating to banking companies. In the statement of objects and reasons appended to the Bill it was mentioned that the provisions of law relating to banking companies at the moment formed a subsidiary portion of the general law applicable to companies and were contained in Part XA of the Indian Companies Act, 1913. These provisions which were first introduced in 1936 and which had undergone two subsequent modifications, had proved inadequate and difficult to administer. Moreover, while the primary objective of Companies Law was to safeguard the interest of the stock-holder, that of banking legislation should be the protection of the interests of the depositor. It had, therefore, been felt for some time that separate legislation was necessary for the regulation of banking in India. This need had become the more insistent on account of the considerable development that had taken place in recent years in banking, especially the rapid growth of banking resources and of the number of banks and branches. The enactment of a separate and more detailed Act had in consequence become imperative. Regard must also be had to the fact that the banking system was likely in the post-war period to be more vulnerable by reason of the great expansion, both quantitatively and relatively, that had taken place in demand deposits, as compared with time deposits during the war years.

The provisions of Part XA of the Indian Companies Act, which part would be repealed, were incorporated in the Bill with certain modifications and the addition of several new provisions designed to safeguard the interests of depositors and to ensure

the development of banking in India on sound lines. The main features of the Bill were as follows :—

(i) A simple definition of banking with the object of limiting the scope of the legislation to institutions in which the funds were deposited primarily to ensure their safety and ready withdrawability ;

(ii) Prescription of minimum capital standards ;

(iii) Prohibition of trading with a view to eliminating non-banking risks ;

(iv) Inclusion in the scope of the legislation of banks incorporated or registered outside British India ;

(v) Provision of an expeditious procedure for liquidation ;

(vi) Inspection of the books and accounts of a bank by the Reserve Bank when necessary ;

(vii) Empowering the Central Government to take action against banks conducting their affairs in a manner detrimental to the interests of the depositors ;

(viii) Prescription of a special form of balance sheet and conferring of powers on the Reserve Bank to call for periodical returns.

At the time of writing this report the Bill was under the consideration of a special Sub-Committee consisting of MR. R. W. BULLOCK (Chairman), MR. A. E. BLAIR, MR. A. C. CLARKE, MR. A. MCINTOSH and MR. W. KERR.

TRADE MARKS CONTAINING NUMERALS.

RULE 114 (1) OF THE TRADE MARKS RULES.

Rule 114 (1) of the Trade Marks Rules defines marks which are likely to deceive or to cause confusion and sets out the limit to be observed in the registration of textile marks containing numerals, and sub-clause (*a*) prohibits the registration of a numeral not exceeding four digits unless there is a difference of at least one corresponding digit between it and any other registered trade mark.

In addressing the Government of India on the subject, the Committee pointed out that by a longstanding custom in the textile trade a difference of at least two digits had been accepted in the case of numerals exceeding two digits in order to give protection to the legitimate owners of quality numbers. This custom had been adhered to by both importers and dealers in all Indian markets. The rule as framed gave no recognition to the above usage and permitted of close copying of a well-established quality number by allowing the use of numbers with a difference of only one digit.

The Committee considered this point as one of importance and requested Government to introduce a suitable modification in Rule 114 to make it conform to what had been a long-established practice.

In their reply the Government of India stated that the rules relating to the letter and number marks were taken substantially from the rules which prevailed with the Millowners' Association, Bombay, and were finally adopted only after detailed discussion with the textile trade. Even if the custom in the trade was as the Chamber stated it to be, Government invited attention to section 79 of the Trade Marks Act, 1940, and sub-rule 2 of rule 114 of the Trade Mark Rules, 1942, which seemed to provide ample protection to legitimate owners of trade marks. In the circumstances the Government of India considered that no amendment of the rules on the lines suggested by the Chamber was called for.

TRADE MARKS ACT AND INDIAN STATES.

(*See Reports* 1942, *page* 115 ; 1943, *page* 99.)

Towards the end of January 1944, the Registrar of Trade Marks informed the Chamber that he had been requested by Government to discuss reciprocal arrangements with the Indian States in order to evolve a common policy on matters relating to the registration of trade marks and to avoid complicated procedure and duplication of registration fees and other legal charges under the enactments both in British India and in the Indian States. With a view to acquainting himself with the requirements of the commercial community in British India he invited the Chamber to nominate representatives to attend a meeting which he proposed holding on the 3rd February at which representatives of other commercial bodies were also invited to be present. Mr. A. SOTIRIADI and Mr. W. G. J. SHAW, were nominated as this Chamber's representatives.

The Chamber's representatives subsequently requested the Committee to submit specific recommendations on the subject for the consideration of the Registrar.

In doing so the Committee expressed the view that the Government of India should prevail upon all the Indian States, which had not already done so, to introduce legislation providing for the registration of trade marks, such legislation to be on the same lines as the British India Trade Marks Act, 1940.

That the Government of India should prevail upon those Indian States, which had already introduced or would hereafter introduce such legislation, to recognise deposits and registrations of trade marks which had been effected in British India under the Trade Marks Act, 1940, in consideration of which the Government of India would reciprocate, and recognise deposits and registrations of trade marks, which had been effected in the States concerned under their respective enactments.

That, in connection with the reciprocal recognition of the deposits and registrations of trade marks aforesaid, a very nominal fee should be prescribed ; a fee even less than originally proposed, namely, Re. 1 per application for deposit, and Re. 1 per application for registration, might be charged.

That at the earliest possible opportunity, a Special Appellate Tribunal should be constituted, which would have jurisdiction to hear appeals from the decisions of Registrars of Trade Marks in the various Indian States, and also of the Registrar of Trade Marks in British India. It was felt that the constitution of the Special Appellate Tribunal would result in a greater degree of uniformity as far as Trade Marks law in India as a whole was concerned.

TRADE MARKS RULES, 1942.

Regrouping of Textiles.

(*See Report* 1943, *page* 99.)

Towards the end of August 1944 the Associated Chambers of Commerce of India asked for the views of the Chamber on two new rules which it was proposed to incorporate in the Trade Marks Rules, 1942, on the recommendation of the Textile Trade Marks Advisory Committee.

Draft Rule 102*A*.—For the purposes of applications for the registration of trade marks consisting exclusively of letters, numerals or any combination thereof made on Form TM-53 before the 31st December, 1944, the goods falling in the different items of the Fifth Schedule to these Rules shall not be deemed to be goods of the same description.

Draft Rule 102*B*.—For the purposes of applications for the registration of trade marks consisting exclusively of letters, numerals or any combination thereof made on Form TM-53 after the 31st December 1944, the goods falling in each of the following groups shall be deemed to be goods of the same description and the goods falling in different groups shall not be deemed to be goods of the same description. (Here followed the various groupings which were 15 in all.)

The Draft Rules were intended to give effect to the practice already prevailing in the trade whereby the same trade mark could be registered by two different persons in respect of goods falling under different items of the Fifth Schedule to the Trade Marks Rules, 1942. Most of the goods under the Fifth Schedule being goods of the same description, at the moment such registration was prohibited by reason of the provisions of rule 114. The date given in draft rule 102A, viz., 31st December 1944, gave sufficient time to all owners of marks already in use to seek registration, and draft rule 102B by grouping the items according as what were really goods of the same description put the rule on a more rational basis.

The Committee advised the Associated Chambers that they had no comments to offer on the draft rules which they considered were in order.

INDIAN PATENTS AND DESIGNS (TEMPORARY AMENDMENT) BILL.

A Bill was introduced in the Central Legislative Assembly on the 1st November 1944 which had for its object the temporary amendment of the Indian Patents and Designs Act, 1911 (II of of 1911). In the statement of objects and reasons appended to the Bill it was mentioned that it had been found necessary to enlarge the rights of Government Departments to use inventions and designs as had been done in the United Kingdom by section 2 of the United Kingdom Patents and Designs Act, 1942.

Section 21 of the existing Act provided that Government Departments might by themselves or by persons authorised in writing by them, use or exercise an invention for the services of the Crown on terms to be agreed, or failing agreement, settled by Court. The only power to sell patented articles which this section gave at the moment to the Government were in cases where articles made under the section were no longer required for the services of the Crown. The proposed amendments extended the power of the Government in this respect.

The Act was passed by both Houses of the Legislature and received the assent of the Governor General on the 22nd November 1944 (Act XV of 1944).

INDIAN RICE COMMITTEE BILL.

A Bill was introduced in the Legislative Assembly on the 1st November 1944, the object of which was to provide for the creation of a fund to be expended by a Committee specially constituted for the improvement and development of the cultivation, production and marketing of rice and rice products.

In the statement of objects and reasons appended to the Bill it was stated that in view of the importance of rice as an agricultural crop and as the principal food of a very large proportion of the population of the country, it was considered necessary to put rice research, development and technology on a more permanent basis than it stood at the moment. Accordingly it was proposed to set up an Indian Central Rice Committee on lines similar to those of the Indian Central Cotton Committee, the Indian Lac Cess Committee, etc. The Committee which would have on it representatives of all the important interests concerned, would devote exclusive attention to all problems connected with the improvement and development of the cultivation

and marketing of paddy, the production and marketing of rice, and rice products and all matters incidental thereto. Since it was desirable that the Committee should have an independent source of income, it was proposed that as in the case of other similar Committees, e.g., the Indian Central Cotton Committee, the Indian Lac Cess Committee, etc., funds should be provided by the levy of a small excise duty not exceeding a rate of annas 6 per ton on all paddy which was hulled in power mills.

In replying to a request from the Government of Bombay, Reconstruction Department, for the views of the Chamber on the Bill, the Committee stated that in their view the move was a good one and the method proposed for raising the necessary funds, satisfactory.

INCREASE IN STAMP DUTIES AND COURT FEES.

In the *Bombay Government Gazette* of the 29th December 1943, the Government of Bombay published two Acts, XIV of 1943, the Bombay Increase in Stamp Duties Act and XV of 1943, the Bombay Increase of Court Fees Act. Under the former Act a surcharge of 50 per cent. was added to the stamp duties leviable under the Indian Stamp Act in its application to the Province of Bombay, other than those leviable in respect of bills of exchange, cheques, promissory notes, bills of lading, letters of credit, insurance policies, proxies and receipts. Under the latter Act, a surcharge of 25 per cent. was added to fees leviable under the Court Fees Act of 1870 in its application to the Province of Bombay.

In addressing the Finance Department of the Government of Bombay on the subject, the Committee stated that while they did not propose to enter into the merits of these enactments they desired to lodge an emphatic protest against the method adopted by Government in introducing measures of this kind by Ordinance without adequate notice or any prior consultation with commercial organisations. On accepted principles of taxation Government would only be justified in imposing additional levies during the current financial year if a budget deficit had occurred, but the Committee had no evidence that this was the case and they doubted if any additional revenues were in fact necessary to make up the current expenditure of this financial year. They therefore submitted to Government that in future measures such as these should be introduced only at the commencement of the year and that prior to this sufficient time and opportunity should be given for public opinion to be elicited on the proposed measures.

There was a further minor point and that was in the statement appended to the Bombay Increase of Stamp Duties Act it was mentioned that Government had decided to increase the

stamp duties by a surcharge of 50 per cent. In effect, however the minimum stamp duty on an agreement (broker's note) relating to the purchase or sale of a Government security (Item 5 aa) and purchase and sale of shares (Item 5 b) had been increased from 2 annas to 4 annas or an increase of 100 per cent. This had presumably been done as a surcharge of 50 per cent. on the duty payable on these brokers' notes would have required an additional one anna stamp and no provision had been made for the sale of such stamps by the Stamp Office.

On the 1st January 1945 an amending Act was brought into force sanctioning the following revised Schedule of surcharges :—

	Amount of Stamp duty.	Rate of surcharge. As.
(1)	A fraction of a rupee not exceeding 1 anna	½ anna
(2)	A fraction of a rupee exceeding 1 anna but not exceeding 2 annas	1 anna
(3)	A fraction of a rupee exceeding 2 annas but not exceeding 4 annas	2
(4)	A fraction of a rupee exceeding 4 annas but not exceeding 8 annas	4
(5)	A fraction of a rupee exceeding 8 annas	6
(6)	A whole rupee	8

STAMP DUTY ON BONDS FOR CLEARANCE OF RESTRICTED GOODS.

The normal procedure in the case of restricted goods for which import licences were required but had not been obtained due to circumstances beyond the control of the importer, had been to await the arrival of full details of the consignments before applying to the Chief Controller of Imports for a licence and, owing to conditions brought about by the war, this had resulted in most cases in the application being submitted after the steamer carrying the goods had arrived. It had therefore been impossible to present a licence immediately the goods had been landed for the purpose of clearing them through the Customs and to avoid delay in clearance importers had been required by the Chief Controller of Imports to execute a bond. Prior to the 1st January 1944 this was merely a formality as the bond was stamped (presumably under item 26, Schedule I of the Indian Stamp Act) with the maximum duty of Rs. 10. From the 1st January 1944 to 18th February 1944 the maximum duty was increased to Rs. 15. On the latter date, however, the Chief Controller of Imports, on the advice of the Bombay Stamp Office, issued a notice (Public Notice No. 508), intimating that the bonds in question

would in future be required to be stamped as follows under the provisions of item 15 of the Schedule I of the Indian Stamp Act:

	Rs.	a.	
Up to Rs. 10	0	2	
Up to Rs. 50	0	4	
Up to Rs. 100	0	8	
Upto Rs. 200	1	0	
Up to Rs. 1,000	0	12	per hundred and then for every Rs. 500 or part exceeding Rs. 1,000 Rs. 3-12.

with the addition of 50 per cent. surcharge leviable from 1st January 1944.

In addressing the Government of Bombay on the subject, the Committee pointed out that taking into consideration the purpose for which these bonds were required by the Chief Controller of Imports, the incidence of the duty was prohibitive and the only alternative open to importers was to allow the goods to lie in the Docks until the licence was received from the Chief Controller and so incur additional wharfage charges of probably an equally prohibitive amount. The latter alternative would also lead to serious congestion in the Docks hampering the quick turnround of steamers.

The Committee added that they felt that it was never the intention of Government to penalise importers by levying such a heavy stamp duty on what was, after all, a purely formal document and while they did not desire at the moment to raise any controversial argument in support of their contention that these bonds were Customs Documents and that they should be liable to stamp duty under item 26 of Schedule I of the Indian Stamp Act, they urged that immediate steps should be taken to rectify matters. They strongly recommended, therefore, that Government should exercise the powers conferred by section 9 of the Indian Stamp Act, and with retrospective effect from 1st January 1944 classify the bonds in question as coming under item 26 of Schedule I of the Indian Stamp Act.

The Government of Bombay in reply merely stated that they regretted that the Chamber's request could not be granted, but did not give any reasons whatsoever in support of this decision.

The Committee discussed the question with the Chief Controller of Imports when he visited the Chamber on the 28th June 1944 and subsequently at the suggestion of the Government of Bombay they addressed that official in the matter and pointed out that it was manifestly unfair that as a result of the import control under an order enacted by Government, the Stamp Office, also a Government Department, should seek to profit at the expense of the public by raising the charge on an indemnity

bond which perforce had frequently to be executed in accordance with the machinery set up by the aforesaid Government Import Control Order.

However, the most important aspect of the matter from the point of view of the public interest was the fact that clearances from the Docks were likely to be seriously delayed as a result of the change in the stamp duty.

Early in January 1945 intimation was received from the Chief Controller of Imports that the Government of India regretted that nothing could be done to reduce the stamp duty legally required for bonds taken from importers in cases where import licences for goods were not immediately forthcoming. It had, however, been decided to accept letters of guarantee instead of bonds from importers of repute who had deposit accounts with the Custom Houses. Such letters of guarantee would require a stamp duty of Re. 1 or according to the rates in force in various provinces.

INSURANCE.

INDIAN INSURANCE (AMENDMENT) BILL.

(*See Reports* 1934, *page* 45 ; 1935, *page* 58 ; 1936, *page* 32 ; 1937, *page* 54 ; 1938, *page* 36 ; 1939, *page* 56 ; 1940, *page* 98 ; 1941, *page* 63.)

On the 14th February, 1944, a Bill was introduced in the Legislative Assembly for the purpose of amending the Insurance Act, 1938. In the statement of objects and reasons appended to the Bill it was mentioned that section 46 of the Insurance Act provided that the holder of a policy of insurance issued in respect of insurance business transacted in British India should have the right, notwithstanding anything to the contrary contained in the policy,—(*a*) to receive payment in British India of any sum secured thereby, and (*b*) to sue for any relief in respect of the policy in any court in British India.

It also provided that if any such suit was brought in British India, any question of law arising in connection with the policy should be determined according to the law in force in this country.

The application of this section to policies of marine insurance seriously interfered with the normal business of marine insurance inasmuch as marine insurance contracts were international in scope and were effected mostly for the benefit of the consignees abroad who had the option of stipulating the place where contracts were intended to be carried out.

Under section 48(2) of the Insurance Act, employees and agents of insurance companies were eligible for appointment as

policyholders' directors. This was destructive of the object of section 48, since a policyholder, who was an employee or agent of an insurance company, could not be expected to safeguard the interests of policyholders where those interests conflicted with those of the shareholders. Such persons should, therefore, be disqualified from becoming policyholders' directors.

These defects it was sought to remedy by amending sections 46 and 48 of the Insurance Act. Opportunity was also taken to make Form "F" of the Third Schedule applicable to marine insurance business as being more suitable than Form "E."

Provision was made for meeting any temporary embarrassment caused by the changes in the Act.

The Bill was passed by both Houses of the Legislature and received the assent of the Governor General on the 7th March 1944 (Act VII of 1944).

INSURANCE (SECOND AMENDMENT) BILL.

The Insurance Act, 1938 (IV of 1938), was substantially amended in 1941. Experience gained in the administration of the Act during the succeeding years had brought to light several flaws and lacunæ in it. With the object of removing those defects and also securing greater financial stability of insurance companies a Bill was introduced in the Legislative Assembly on the 14th November 1944.

The amendments proposed to be made by some of the more important clauses of the Bill were as follows :—

Clause 2.—While conditional assignees are recognised in section 38 (7), it was not intended that such assignees should have the full rights of policy-holders under the Act, and the amendment made this point clear.

Clause 3.—Sub-clause (*a*) clarified the position that registration for one class of business only did not entitle an insurer to embark on other classes of insurance business without further registration.

Complaints had been received of tardy settlement of claims even when claims had been supported by a final judgment of the Courts. Sub-clauses (*b*) to (*d*) enabled registration to be cancelled for such delays, revival being contemplated where the Superintendent of Insurance was satisfied that due claims had been honoured.

Sub-clause (*e*) applied the provisions of section 3 (5D) to all insurance companies, and gave the Superintendent of Insurance discretion whether to apply for winding-up or not.

Clauses 4 *and* 25.—Sections 4 and 65 were being amended to avoid undesirable competition between insurers and provident societies.

Clauses 5 *and* 29.—The Act did not at the moment prohibit identity of name as between one provident society and another and as between insurers and provident societies; these amendments filled this lacuna.

Clause 6.—By mutual arrangements with certain Indian States, deposits made under this Act had been accepted as cover in the State, and *vice versa*. It was a corollary of this arrangement that deposits in one place should not be returned without the agreement of the insurance authorities of the other. Negotiations for complementary legislation in the States concerned were in progress.

Clause 7.—The amendments (*a*) made it clear that the life insurance fund should be invested and kept apart from the other assets of the insurer, and (*b*) provided that a person carrying on life insurance business should not be entitled to embark on other classes of insurance business unless the Superintendent of Insurance was satisfied that the life insurance fund was adequate for its intended purpose.

Clause 12.—Sub-clauses (*a*) and (*b*) were formal.

Sub-clause (*b*) made an insertion to provide that only loans granted by the insurer on his own policies could be taken into account by way of reducing the amount of his investments.

Sub-clause (*c*), while requiring liabilities accepted by way of re-assurance to be taken in account when calculating the amount of investments, permitted liabilities so ceded to be deducted in making the calculation.

Clause 14.—This clause provided for the early repayment of loans which when taken did not contravene section 29 but which by reason of some later event infringed that section.

Clause 15.—This clause extended section 31 to cover the case of a British Indian insurer's assets in an Indian State.

Clause 16.—This sought to prohibit two practices, (i) paying managers and similar officers on a commission basis, and (ii) such officers nominating their successors without regard to the successor's qualifications for the office.

Clause 18.—It was not intended that a nomination citing section 39 of the Act in favour of a wife or child should attract the provisions of the Married Women's Property Act, 1874, and this amendment was to secure the desired position.

Clause 19.—This clause amended section 40 for the following purposes :—

(*a*) to avoid duplicate licensing of insurance agents operating in Indian States with which Government had entered into mutual arrangements as to the administration of insurance law ;

(*b*) to modify the rates of commission admissible to insurance agents.

Clause 20.—This inserted a section to make certain provisions in regard to employers of insurance agents.

Clause 21.—It was considered undesirable that a life insurance agent should be a director of any company transacting life business, and provision was made prohibiting this.

Clause 22.—Unpaid-up share capital was not necessarily a realisable asset, and this clause provided that unpaid-up share capital should not be taken in account in determining the solvency or otherwise of an insurer or provident society.

The Committee considered the Bill in consultation with a special Sub-Committee and in addressing the European Group in the Central Legislature on its provisions they pointed out that from the brief Press report of the discussion in the Assembly on the 14th November 1944, it seemed clear that the interest of the House, as usual, was focussed on life assurance. It was feared that clauses affecting general business would again be passed without any understanding of the great differences between general and life insurance.

The companies and chief agents who would be the greatest sufferers from the proposed statutory limitation of Chief Agency commission in other than Life business would be British firms. Certain clauses of the Bill were consequently discriminatory in fact though not in form.

The Committee then referred to the clauses of the Bill which they considered needed amendment or deletion.

Clause 3 (*b*) referring to section 3 of the Act, sub-section (iv) (*g*)—It was considered that a period should be fixed within which payment must be made, and that three months was reasonable. The words " for a period of three months " should, therefore, be inserted between the words " unpaid " and " after."

Clause 4 (*b*).—Inasmuch as in certain staff life assurance and pension schemes the amount of assurance or annuity was based on the salary of the employee, an alteration in the wording of this clause should be made to enable life assurance companies to issue contracts with a sum assured of less than Rs. 500 or an

annuity of less than Rs. 50 per annum where these were required in respect of increases in salary under a staff scheme approved by the Central Board of Revenue.

Clause 12.—After the words " issued by him " and before the word " and " in sub-clause (*b*) (ii) the following words should be inserted—

" or by an insurer acquired by him."

Clause 16.—The Committee objected strongly to the whole of this clause, as it was a common and unexceptionable practice to remunerate persons holding managerial positions, both in head offices and branches, partly by profit commission, as a means to ensure careful selection of risks and to encourage prudent underwriting. It was also usual in certain classes of business to allow Branch Managers, at least, ordinary agency commission on business which they personally introduced.

The Committee suggested that if it was found impracticable to secure the rejection of this clause, it should be radically amended to provide that the prohibition of remuneration in the form of commission or a share of profits should apply only to Managing Directors and Directors, or to persons holding high executive positions, in Indian companies. Such an amendment would give effect to the intention, expressed by the Superintendent of Insurance in the Central Assembly on the 14th November, when he referred to the " provision for remuneration for the *people at the helm* of affairs on a commission basis," as being an undesirable feature.

It was further noted that the clause as drafted would appear to prevent an insurer incorporated outside India from appointing as Principal Representatives in British India a firm or company to be remunerated wholly or partially by commission. This was an unwarranted interference in what again was common and unexceptionable practice.

Clause 18.—The Committee recommended that where the word " policyholder " occurred in the proviso the word " assured" should be substituted, since the word " policyholder " covered an absolute assignee who could not nominate unless he was also the assured.

Clause 19 (*b*) (*i*).—Experience had shown that the statutory limitation of the commission of licensed agents to 15 per cent. had been entirely ineffective and little or no endeavour had been made by Government to enforce this. There could be no good reason for any further attempt at limitation whilst this state of affairs continued. On the contrary there were good grounds for the deletion of Section 40 (2) from the Act, as its failure in practice had merely served to bring the law into contempt.

Clause 19 (*b*) (*ii*).—The further proviso it was proposed to insert was objectionable, as there was no justification for discrimination between old and newly established companies in respect of general insurance business. Experience had proved that new insurers required no such protection.

Clause 20, *dealing with Section* 40 (*A*) (3).—This clause was strongly objected to on principle.

Chief Agents (not engaged in life insurance business) might be classified as follows :

A. Chief Agents who were the principal representatives in India of a company incorporated outside India. They were responsible not only for the conduct of the company's affairs in India as a whole, but were also the parties responsible for compliance with the Insurance Act, the Indian Companies Act and the Income-tax Act.

B. Chief Agents known as " Independent Agents " who were directly responsible to the Head Office of a company incorporated outside India for the insurance business done by them, and who did not work under supervision from the company's principal representatives in India. Independent Agents were not, however, concerned with their company's liabilities under the Acts above referred to.

C. Chief Agents representing a company which had no head or branch office in their territory. Such Chief Agents existed only in the towns of Bombay, Calcutta and Karachi and in some towns in the Madras Presidency. In Bombay, Calcutta or Karachi and usually in Madras their territory consisted of the whole area under the jurisdiction of the local Insurance Association's Tariffs. (N.B.—India was divided into four Tariff Areas, namely Bombay, Karachi, Calcutta and Madras.)

D. Chief Agents of a company who worked under the supervision of a head or branch office in the same territory as themselves, and who were employers of agents.

It was noted that classes " A," " B " and " C " had functions to discharge which were wider than those of Class " D " inasmuch as the former were all, though in varying degree, required to discharge the duties of a branch office by reason of their being the principal representatives of their company in the whole area of the Insurance Association concerned.

The responsibility of Chief Agents under classes A, B and C and the varying services they rendered were such that their remuneration should be a matter for arrangement between themselves and their companies and, where desired, for agreement between companies. Even in the case of agents falling

under Class D the same remark applied in many cases, and it should be observed that some agents might fall under different classes (including D) *vis-a-vis* the various companies they represented. Many Chief Agents of Classes A, B and C had represented their companies in a managing capacity for 50 or more years, and they had been responsible for a very great deal of the business transacted by their companies in India. So long as their companies were content to rely on this type of representation in preference to the establishment of branch offices, it was submitted that there was no more justification for limiting the remuneration of Chief Agents by legislation than there was for limiting the salaries paid at a Head or Branch Office, which would be absurd.

It was noted that the proposed new section 40(A) (3) again discriminated between old and newly established companies, and this was objected to for the reasons already mentioned under clause 19 (b) (ii).

In any event a commission of 20 per cent. to Chief Agents to cover not only their remuneration but " expenses in any form (including commission or other remuneration payable by him to insurance agents) in connection with insurance business other than life insurance business " was quite inadequate, as it had been ascertained from facts and figures submitted to the Bombay Fire Insurance Association that the average of their management expenses was approximately 10 per cent.

The Committee added that if it was not found possible to secure the rejection of clauses 19 and 20 of the Bill, the provisions of clause 20 (inserting new section 40 (A)) should be so altered as to allow Chief Agents not less than 20 per cent. in respect of remuneration and expenses, *plus* such further percentage as might be specified by clause 19 for payment to insurance Agents. In addition, they should, most certainly, be allowed to continue receiving profit commission based on the actual underwriting profit of their agency, if only for the reasons advanced in the comments on clause 16.

It was further noted that, if the new section 40 (A) was passed, the change in the remuneration payable to Chief Agents would come into force immediately on the commencement of the Amendment Act. This it was considered was unfair. An interval of two years should be allowed as was specified in clause 16 of the Bill in relation to Managers, etc.

Section 40A (5).—The Committee pointed out that this subsection would be quite unworkable in practice in respect of any but life insurance business.

Clause 43 (*a*).—The proposed regulation was in contradiction to the universal practice of insurance companies, in that gross

premium was always considered to mean direct premium income plus premium on facultative reinsurance accepted, less premium on facultative reinsurance ceded, and if information as to gross premium was required it should be called for in this form.

MARINE INSURANCE POLICIES.

ASSIGNABILITY AND SUBROGATION.

(*See Reports* 1937, *page* 230; 1938, *page* 39; 1939, *page* 62; 1942, *page* 101.)

On the 14th February 1944 a Bill was introduced in the Legislative Assembly further to amend the Transfer of Property Act, 1882. In the statement of objects and reasons appended to the Bill it was mentioned that the rules and principles governing a marine insurance policy being materially different from those governing a fire insurance policy, it was very unsatisfactory to accord the same treatment in the matter of assignment to both categories of policies. To take but one instance, fire insurance policy was not assignable after loss, but the nature of a marine insurance contract was such as to require that marine insurance policies should be assignable even after loss. In the United Kingdom assignability of marine insurance policies after loss was placed beyond doubt by section 50 of the Marine Insurance Act. But in the absence of a similar provision here it was doubtful if Courts in British India would hold that they were so assignable. It was proposed, therefore, to amend the Transfer of Property Act by—(1) omitting from section 135 thereof the reference to marine insurance policy; and (2) inserting a new section reproducing the provisions of section 50 of the Marine Insurance Act.

Provincial Governments, High Courts, and commercial bodies in the Provinces had been consulted and they were almost unanimously in favour of legislation on these lines. As assignability of marine insurance policies was dealt with in the United Kingdom in sections 50 and 51 of the Marine Insurance Act, it was, as suggested by the Calcutta High Court, also necessary, for the sake of completeness, to reproduce the provisions of section 51 of that Act which precluded assignments where the insured had no subsisting interest in the property insured.

The need for the enactment of provisions corresponding to section 79 of the Marine Insurance Act and for amending section 6(*e*) of the Transfer of Property Act had also been represented to Government. On consideration of the opinions expressed by the Provincial Governments, High Courts, and leading commercial bodies, Government had reached the conclusion that this was desirable.

It was recognised that, while legislation on the above lines would clarify the law of assignment and subrogation of marine insurance, the whole law of marine insurance would not be put on a satisfactory basis unless comprehensive legislation on the lines of the Marine Insurance Act, 1906, was enacted for British India. Such a project, however, must necessarily await the termination of the war.

The Bill was passed by both Houses of the Legislature and received the assent of the Governor General on 7th March 1944 (Act VI of 1944).

CUSTOMS.

POST-WAR PROTECTION OF STARCH INDUSTRY.

The following Resolution of the Department of Commerce No. 261-T(2)/42, dated 26th August 1944, is reproduced for purposes of record :—

"The Government of India have been approached by a firm engaged in the manufacture of starch, with a request for an assurance of post-war protection to the industry, against unfair competition from abroad. The starch industry in India has been developed under the stress of war conditions, and it now supplies from indigenous resources one of the vital needs of the cotton textile industry and has thus enabled a greater volume of shipping to be utilised for the import of essential goods than would otherwise have been possible. In the circumstances the Government of India have, in accordance with their declared policy, decided to give an assurance to the industry that it will, by such measures as Government may devise, be protected after the war against unfair competition from abroad, provided it is established that the industry is, and has been conducted on sound business lines."

TARIFF VALUATIONS.

CESS ON EXPORTS OF CERTAIN AGRICULTURAL PRODUCE.

(*See Reports* 1943, *page* 106.)

The Director of Commercial Intelligence met the members of the Chamber on Friday 21st April 1944, and discussed with them his provisional proposals for tariff valuations for 1944-45 in respect of the commodities on which cess was leviable under the Agricultural Produce Cess Act. The new tariff valuations were published on 5th June 1944 and brought into force from the 1st July 1944.

TARIFF VALUATIONS.

IMPORTS.

In replying to a reference from the Director of Commercial Intelligence, the Committee stated that they had no remarks to offer in regard to a proposal for the re-introduction in the tariff

valued schedule of "nutmegs in shell" "mace, unground" and the fixing of tariff values for these articles.

In regard to the proposed revision of the classification of "Vats" the Committee considered this should be amended as follows :—

30. (1) *Dyes derived from coal-tar, etc.*
Vats.
(*a*) Indigo and solubilised Indigo such as Indigosol O.
(*b*) Carbazole Blue.
(*c*) Solubilised and stabilised Vat dyes.
(*d*) Other sorts paste and powder.

If it was not considered advisable to have Indigo and solubilised Indigo in the same group, then the Committee would agree to the proposal as already set forth, i.e.

(*a*) Indigo.
(*b*) Indigo—Solubilised.

The Committee also considered that as far as possible chemical names should be employed and the use of trade names such as Indigosol discouraged. In any case they did not see why German names should be included and thought every effort should be made to avoid their use.

In accordance with the usual practice the Director of Commercial Intelligence met representatives of the Chamber on Tuesday, 14th November 1944, and discussed with them his provisional proposals for import tariff valuations for the year 1945.

RAILWAYS.

VISIT TO THE CHAMBER OF THE HON'BLE SIR EDWARD BENTHALL.

The Committee of the Bombay Chamber of Commerce met the Hon'ble Sir Edward Benthall, Member, War Transport Board, who was accompanied by Mr. K. J. Macneil, Controller of Railway Priorities, Bombay, on Friday, 21st January 1944, when among other subjects they informally discussed the questions of (1) coal supplies for Western India, (2) the zoning system and priorities for cloth transport, and (3) the supply of wagons for groundnuts.

CLAIMS AGAINST RAILWAYS IN RESPECT OF LOST OR DAMAGED GOODS.

At the annual meeting of the Associated Chambers of Commerce of India held in December 1943 the following resolution was adopted :—

"While appreciating the greatly increased difficulties of Railway Administration brought about by the war, this Association urges upon the Railway Board the necessity for improving the supervision and methods of

handling cargo in transit by rail in order to reduce the heavy damage and losses at present being incurred and recommends that the procedure of the Claims Sections of the various railways be reviewed by a competent Committee with the object of enabling them efficiently and promptly to dispose of claims filed against them by the public."

The terms of the resolution and the report of the discussion which preceded its adoption were communicated to the Government of India, Railway Department, Railway Board.

The Railway Board stated that they were fully conscious of the difficulties caused to the community at large and the mercantile community in particular, by the circumstances to which the Associated Chambers drew attention. In respect of claims and their prompt handling, all major railways had received instructions to develop their claims handling organization, and it was hoped that the staff brought under training for the purpose would cause an improvement, at a rising tempo, as training was completed.

As to the prevention of loss and damage to packages and improvements in methods of handling, the Board would endeavour to ensure that railways and the police exerted greater effort. The railways were themselves being subjected in an increasing degree to thefts of material including fittings in carriages, for example, electric bulbs, switches and brackets and it was feared eradication of such malpractices could only be a gradual process.

While assuring the Associated Chambers that this important matter would receive continued and serious attention, the Railway Board requested that the Association should take up with constituent Chambers the question of such improvement in packing as circumstances permitted, for this would be a substantial contribution to the problem.

CLASSES OF COACHES ON PASSENGER TRAINS.

The Railway Board in a letter addressed to the Chamber in May 1944 pointed out that post-war reconstruction on railways in regard to the provision and improvements of passenger coaches and amenities at railway stations could not be satisfactorily planned, till the question as to how many classes would be retained had been settled. The general complaint was that four classes were difficult to operate and if retained in the post-war period, some classes were likely to run overcrowded and others partly empty. Funds available for improvements to refreshment rooms, waiting rooms, etc., for four classes could also be used to better advantage, if the existing number of classes was reduced.

The Indian Railway Conference Association had received certain suggestions from different Railway Administrations; these, together with discussions of this important question in the Press had been considered by the Railway Board. The general trend of opinion appeared to favour retention, with some improvements, of three classes in the post-war period, viz., I, II and III, corresponding in equipment, and accommodation to the existing II, Inter and III classes, and special air-conditioned coaches to be run on inter-provincial or other important trains which offered traffic for such luxury travel.

The Chamber's views on the question were solicited.

In replying to the Railway Board the Committee summed up their views as follows:—

1. There should be no reduction in amenities in any class but there should be an improvement in accommodation all round.

2. The Inter Class should be eliminated.

3. The Third Class accommodation should certainly be improved and, if necessary, the fares increased.

4. The number of air-conditioned coaches should be considerably increased with the aim of eventually air-conditioning all first and second class coaches. The provision of air-conditioned coaches should not be regarded as a luxury but as commonplace.

In conclusion the Committee considered that the Railway Companies should be alive to the need of making rail travel comfortable and attractive in order to compete against air travel in the future.

INCREASE IN RAILWAY PASSENGER FARES.

As a part of their Railway Budget proposals for 1944-45, the Government of India included a suggestion for a uniform increase of 25 per cent. in railway passenger fares with the objects of: (*a*) Deterring travel to some extent; (*b*) assisting deflation; (*c*) strengthening the financial position of the railways by building up reserves which could be utilised for meeting post-war deficits, rehabilitation development and improved amenities for passengers.

It was also expected that the earnings of Railways would shrink considerably after the war but that working expenses would remain for some time at a high level as it would not be possible to reduce them without cutting down wages, withdrawing wartime allowances and lowering the price of coal to a level and at a speed which would be disastrous for that industry.

In response to a request from the European Group in the Central Legislature for the views of the Committee on the proposal, they informed the Group that they accepted the arguments put forward by the War Transport Member as to the necessity of building up a fund for rehabilitation after the war, and they considered it essential that an adequate reserve should be set aside against the more difficult times that might be anticipated owing to an advance in operating costs, which in all probability would not be susceptible of reduction in proportion to declining revenues. The Committee therefore supported the proposal to increase fares, particularly as it was not intended to apply these increases to suburban season tickets.

RAILWAY CLASSIFICATION OF GOODS.

AMENDMENTS IN RESPECT OF CERTAIN COMMODITIES.

(*See Report* 1943, *page* 115.)

During the year under review the Chamber was asked by the Indian Railway Conference Association for its views in regard to various proposals which were put up for discussion at the meetings of the Commercial Committee in connection with the amendment of the General Classification of Goods. After consulting the Docks and Railways Sub-Committee in each case, the Committee approved most of the proposals, and except in the cases mentioned below, offered no comments :—

Pushmina (January 1944)—the Committee agreed with a proposal made by the North Western Railway that the entry " Pushmina," i.e., articles made of certain wool of fine quality should be deleted from the I.R.C.A. Goods Tariff. The Committee added, however, that if in fact any traffic in " pushmina " was carried by railways they considered that the entry should be transferred to " synonyms, trade names, etc.," chargeable as " piecegoods."

Wooden Sandals (June 1944)—The Committee informed the Indian Railway Conference Association that they felt that there was an inherent danger in agreeing to a proposal of H.E.H. the Nizam's State Railway to classify wooden sandals under " Wooden Articles N.O.C." 2 R.R., all other sandals being included as hitherto under " Boots " 6 R.R. 5 O.R., as it introduced the material from which the article was manufactured as a major factor for classification. Boots and shoes could be made from materials such as canvas, leather, rubber, crepe rubber and synthetic rubber, each of which had its own classification, and the acceptance of this principle in the case of wooden sandals would lead to numerous additions and refinements in the general classification for goods. Though wooden sandles might be cheaper

than leather sandles their manufacture and distribution was limited to certain specific centres, and if this particular commodity could not bear the higher classification as that for boots viz., 6 R.R. and 5 O.R., the difficulty could be overcome by railways interested in this traffic notifying local exceptions for a reduced charge.

POST-WAR PLANNING OF SITES FOR WADI BUNDER AND CARNAC BRIDGE GOODS DEPOTS.

Early in October 1944 the General Managers of the G.I.P. and B.B. & C.I. Railways, informed the Chamber that in the course of post-war planning, it was considered desirable to examine, as an item of long range planning, the necessity, or otherwise, of maintaining Carnac Bridge as a goods handling depot in addition to Wadi Bunder, which was situated about one mile further north.

Factors which had a bearing on these considerations included :

1. The probable early closing of St. George's Hospital, on the site of which the G.I.P. had an option.

2. The possible future amalgamation of the broad-guage sections of the G.I.P. and B.B. & C.I. Railways.

3. Planning in connection with the reconstruction of Prince's and Victoria Docks.

A joint Committee of the two Railways, including the Engineering and Commercial Branches had been convened to consider probable future requirements in broad outline. This Committee considered

1. That there was no need to maintain two separate goods depots if and when the two Railways were amalgamated, and that the Cranac Bridge Depot should be closed.

2. That the land made available by the removal of Carnac Bridge Depot should be used, together with the land evacuated by St. George's Hospital, for an expansion of facilities at Victoria Terminus.

3. That all inward and outward goods traffic in full wagon-loads, except traffic which was dealt with at Bombay Central, should be dealt with by the B.P.T. Railway.

4. That the G.I.P. Goods Depot at Byculla should be used for outward piecegoods traffic both in full wagon loads and in smalls.

5. That the Wadi Bunder Goods Depot (the capacity of which was approximately 450 wagons a day) should be used for all other inward and outward goods traffic in " smalls."

The Committee, further, did not consider that an extension of the Wadi Bunder area was ever likely to be necessary in the future, provided it was reserved for " smalls " only.

Various other suggestions of a minor nature had been included in their report.

In accordance with their recommendations, the Chairman, Bombay Port Trust was addressed to ascertain whether, in the event of the future amalgamation of the broad gauge sections of the G.I.P. and B.B. & C. I. Railways, the Trust would be able to undertake the handling of inward and outward traffic in full wagon-loads on Port Trust land, the total traffic which would be diverted to the B.P.T. Railway under this proposal being estimated at about 200 wagons inward and 100 wagons outward per day.

The Chairman of the Bombay Port Trust had advised that after careful consideration of the effects of several uncertain factors (such as the volume of post-war cotton traffic, etc.), the Trust had decided that it " would definitely be able to undertake the handling of inward and outward traffic in full wagon-loads to the extent indicated." Foodgrains, pulses and oilseeds would be dealt with in the Grain Depot with the exception of the northernmost " T " shed which would probably be available for other full-load traffic.

Before proceeding further with this proposal, it was deemed necessary to place it before the Chamber for its views.

The question was referred for consideration to a special Sub-Committee of the Chamber under the chairmanship of Mr. C. J. DAMALA, whose report was adopted by the General Committee and submitted to the General Managers of the two Railways. In their reply the Committee took for granted the amalgamation of the G.I.P. and B.B. & C.I. Railways and the availability of St. George's Hospital site, for the expansion of Victoria Terminus.

Furthermore they were of opinion that the volume of goods traffic in and out of Bombay by rail, during the post-war period, was not likely to increase, as compared with the pre-war period, to an extent that would in any way affect their present conclusions.

The Committee were not in agreement with the suggestions that any immediate action should be taken—(*a*) to close Carnac Bridge Depot for goods traffic ; (*b*) to utilise Wadi Bunder Depot for traffic in " smalls " only (inward and outward); (*c*) For the Bombay Port Trust Railway to undertake to deal with all traffic (inward and outward) in full wagon-loads hitherto dealt with at Carnac Bridge and Wadi Bunder Depots.

These opinions were formed after obtaining and closely scrutinising statements showing the tonnage and commodities dealt with at the two Depots in full wagon-loads and smalls during the three years ending March 1938, 1939 and 1940, (see accompanying statement).

Commodities such as Wheat, Grain, Pulses, Rice, Sugar, etc., which were mainly required for the population of Bombay could not be dealt with on Bombay Port Trust territory without causing extra expense, transport difficulties and dislocation of the trade which had long been established in the area adjoining the two Depots.

Any scheme to remove the centre of this trade to another locality could only be considered as part of a general replanning scheme for the whole of Bombay.

As regards the proposal for the Bombay Port Trust to handle all the traffic in full wagon-loads hitherto dealt with at the two Depots, the Committee understood that the intention was to do so by utilising a large proportion of the Grain Depot sheds, but they doubted if sufficient accommodation existed to render this proposal practicable without disturbing established interests in that area, and they could not therefore accept it. Furthermore, the existing lay-out of the Grain Depot sheds was not conducive to easy receipt and delivery of numerous consignments by road transport.

Whilst objecting to any immediate action being taken in the foregoing matters, the Committee put forward a constructive proposal for the consideration of the Joint Railway Committee, i.e., that all traffic (in "fulls" and "smalls") dealt with at Carnac Bridge and Wadi Bunder, in commodities other than "human food" etc., should be eliminated by degrees from Carnac Bridge and Wadi Bunder and eventually it might be found possible to deal with all "human food" articles at Wadi Bunder. If and when this result was reached Carnac Bridge could be closed down.

All other "non-human food" articles should, little by little, be transferred to areas outside the "town" area, as storage accommodation and transport facilities were made available, but such transfer of traffic should be, as far as possible, made in consultation with the trades concerned to such places and in such manner as were considered suitable by them.

The Committee were in agreement with the proposal to deal with all traffic in Piecegoods and Yarns, inward and outward, in "fulls" and "smalls" at the G.I.P. Goods Depot, Byculla, suitably remodelled.

WADI BUNDER DEPOT.

Commodities.	Inward.		Outward.	
	Average 1938/1940 in tons per annum.	About 40% full wagon loads.	Average 1938/1940 in tons per annum.	About 25% full wagon loads.
1. Grain and Pulses ..	217,000	87,000	34,000	8,500
2. Gur and Jagree ..	5,200	2,080	75	25
3. Sugar	58,000	23,200	15,500	3,900
4. Groundnuts	44,800	18,000	100	25
5. Oilseeds	37,000	14,800	1,380	345
6. Cotton (raw)	180	75	150	40
7. Cotton Manufactures ..	8,000	3,200	82,600	20,650
8. Fodder	10,400	4,200	3,500	900
9. Iron and Steel	87,000	34,800	45,000	11,250
10. Tobacco	3,200	1,300	750	200
11. Cement	65,000	26,000	550	175
12. Oils	1,600	650	15,500	3,900
13. Timber	500	200	1,900	500
14. Leather	2,200	880	600	125
15. Paper	3,700	1,480	7,080	1,770

CARNAC BRIDGE DEPOT.

Inward.			Outward.		
Commodities.	Total per annum.	¼ in fulls.	Commodities.	Total per annum.	¼ in fulls.
Wheat ..	25,000	8,300	Rice ..	112,500	37,500
Other grains ..	25,000	8,300	Metals ..	42,000	14,000
Oil seeds ..	10,700	3,600	Piecegoods ..	54,300	18,100
			Sugar ..	10,500	3,500
			Sundries ..	180,000	60,000

ROAD TRANSPORT AND ROAD/RAIL RELATIONS.

In July 1944 the Indian Roads and Transport Development Association Ltd., drew the attention of the Chamber to the "Report on the Future of Road Transport and Road/Rail Relations" presented by a Technical Sub-Committee to the Transport Subject Committee of the Post-War Reconstruction Committee. The following appeared to be the most important recommendations :—

1. A consolidated transport budget is recommended in conjunction with which the questions of the use of decked railway bridges and of the finance of combined road and rail bridges are to be reviewed.

2. Railways are asked gradually to acquire a commanding interest in passenger road transport. Minimum passenger fares for both road and rail should be established by agreement.

3. While encouraging transfer of short haul goods traffic from rail to roads, road/rail competition is to be prevented by restriction of long distance carriage of goods by roads. Except in special cases the range of goods lorry services is to be limited to 50 miles (or up to 100 miles where transport by rail involves transhipment). Control of goods traffic on national highways should be central.

4. An Indian Road Board should be created at a very early date. There should be a Member and Department of Transport at the Centre.

The views of the Chamber were requested on the report.

In replying to the Indian Roads and Transport Development Association the Committee stated that they were in general agreement with the main conclusions and recommendations made in the report of the Technical Sub-Committee.

With reference, however, to the third recommendation mentioned above, the Committee emphasized the point that this item contained a serious danger to those centres (mostly up-country) which were forced to rely on road competition as the only check on freight rates levied by the railway companies. If this check was to be removed it was essential that the existing railway rates for goods should be overhauled and scientific rate schedules adopted.

SHIPPING.

COUNTRY CRAFT ORGANISATION ON THE WEST COAST OF INDIA.

Towards the end of 1943 it was brought to the notice of the Chamber that since the opening of the season for country craft business in the previous September a number of country craft had been totally lost including their cargo, and in addition there had been a considerable amount of jettison. Some of these cargoes were foodgrains from Karachi. While it was difficult to ascertain the exact cause of these losses, it was definitely known that overloading was one of the main reasons. Freight rates were fairly high, and craft owners in their endeavour to load their craft as much as possible might be tempted to overlook the necessity of safety.

As it was in the undoubted interest of Government and all concerned that craft should not be permitted to sail unless they were seaworthy and of sufficient tonnage to undertake the journey contemplated and that each craft should be limited to a maximum tonnage load, the Committee enquired of the Principal Officer, Mercantile Marine Department, as to what steps, if any, were

being taken to ensure that country craft were not overloaded and were in good order and condition. The Committee were informed in reply that no steps had been taken by the Government of India regarding Load Lines for Country Craft, as these did not come within the purview of the International Convention because they were invariably of primitive build, inasmuch as they were not built to any recognised classification or standards of scantlings. The Principal Officer, Mercantile Marine Department, agreed, generally, that jettisoning was resorted to by tindals of country craft in order that the freeboard might be increased and thus prevent their craft from filling and foundering. He added that it seemed, therefore, that if it was necessary so to jettison cargo, when rough weather was encountered, the craft must have been overloaded to the extent that it was unsafe in rough weather. He suggested that a reference on the subject might be made to the Country Craft Organization Officer, War Transport Department, Bombay. This Officer was accordingly requested to advise the Chamber as to the steps he proposed to take to remedy matters. The Controller of Shipping who replied on behalf of the Country Craft Organisation Officer merely stated that it was not easy to check the evil, as no official load line had been assigned to country craft, but that every effort was being taken by him to minimise it.

The Committee were very anxious that steps should be taken without delay to remedy the situation and as they felt certain that Government would agree that it was not right that boat owners should be permitted to overload their boats with the consequent risk of disaster not only to the cargo on board but also to the lives of their crew they addressed the Commerce Department of the Government of India in February 1944 and requested that prompt action should be taken in the matter.

The following orders were subsequently issued by the Government of India, Department of War Transport, on country craft organisation on the West Coast of India :—

The scheme to be adopted is the "Route Scheme." The features of this scheme are as follows :—

(i) There will not be more than six routes in all :—

1. Karachi—Bombay.
2. Karachi—Kathiawar—Cutch Ports.
3. Bombay—Kathiawar—Cutch Ports.
4. Bombay—Cochin.
5. Cochin—Tuticorin.
6. Karachi—Mormugoa or Cochin or Travancore Ports (not including Mormugoa to Cochin or Mormugoa to Travancore).

(ii) One agent will be appointed for each route, i.e., from one port to another or for a combination of routes covering a stretch of coast. The Controller of Indian Shipping will select the agents in consultation with the Principal Sea Transport Officer, Bombay, and the representative in Bombay of the Supply Department (Timber Directorate).

(iii) The duties of the selected agents will be to—

(*a*) charter craft and run them at the rates fixed;

(*b*) give sufficient protection against the weather to the cargo on the voyage;

(*c*) be responsible for pilferage;

(*d*) provide storage accommodation and labour;

(*e*) appoint suitable agencies to handle the traffic at the port of delivery;

(*f*) arrange for insurance where necessary;

(*g*) use seaworthy craft and undertake not to overload them, and

(*h*) comply with priority instructions issued by the Controller of Indian Shipping, Country Craft Organisation Officer or Assistant Country Craft Organisation Officer.

The agents' commission will be fixed at rates which will fairly cover these obligations.

(iv) Freight Advisory Committees will be formed at important ports, consisting of :—

(*a*) The Assistant Country Craft Organisation Officer,

(*b*) Selected agent,

(*c*) Three representatives of craft owners,

(*d*) Three representatives of shippers.

The Controller of Indian Shipping will fix the freight rates for the various routes and commodities on the advice of the Freight Advisory Committees and after consultation with the P.S.T.O., Bombay, and the representative of the Supply Department (Timber Directorate) at Bombay. (As delay may occur in the appointment of Freight Advisory Committees the Controller of Indian Shipping may prepare the first schedule of rates on the advice of the Country Craft Advisory Committee in Bombay and after consultation with the P.S.T.O. and Supply Department representative). The schedule of rates will show separately—

(*a*) craft owner's freight,

(*b*) agent's commission, and

(*c*) broker's commission.

The rates approved by the Controller of Indian Shipping will be published for general information and will hold good until such time as alterations are made by the Controller of Indian Shipping acting as before. Due notice will be given to the public before any alterations in rates are made.

Rates so fixed will not cover loading and unloading charges or lighterage dues.

(v) Assistant Country Craft Organisation Officers already exist at Karachi, Bombay and Calicut. Two more will be appointed, one for the Kathiawar area (at Jamnagar or other suitable locality) and the other at Tuticorin.

In addition to their present duties, these officers will—

(*a*) preside over meetings of Freight Advisory Committees and communicate their recommendations for the orders of the Controller of Indian Shipping;

(*b*) satisfy themselves to the extent possible that the freight is properly passed on to owners and *tindals*;

(*c*) ensure that selected agents carry out the responsibilities allotted to them adequately;

(*d*) ensure the fullest co-operation of all concerned so that the need for the exercise of the power to refuse port clearance is minimised, and

(e) review the position from time to time and make recommendations to the Controller of Indian Shipping for the redistribution of craft between routes. The Controller of Indian Shipping should submit proposals for the appointment of Assistant Country Craft Organisation Officers at Kathiawar and Tuticorin.

(vi) *Enforcement of Scheme.*—The Controller of Indian Shipping will see that the craft are allocated to routes in accordance with prevailing requirements. The Customs authorities will be instructed to refuse port clearance to any craft not operating under the instruction of the agent for the route concerned or of the association of agents, if any be formed.

Powers will be delegated to the Controller of Indian Shipping under Defence of India Rule 89 to control freight rates.

(vii) It is hoped that the Railways will extend through booking facilities to selected agents. The Controller of Shipping should discuss with the Regional Controllers of Railway priorities, the question of closure of bookings by rail in order to take full advantage of country craft capacity.

(viii) Central Government Departments which use country craft facilities are being asked to prepare programmes of movements, to assist in the most economic allotment of country craft.

The scheme was considered by the Vice-President of the Chamber in conjunction with members interested in marine insurance, and subsequently the following comments were conveyed to the Chamber's representative on the Bombay Provincial Transport Authority:—

The scheme as proposed was welcomed as an initial step to restore order in a situation which was rapidly becoming chaotic. The experience of many shippers had been so bad and so many suspected cases of fradulent jettisoning had occurred as well as known cases of barratry, that it was in fact deterring them from using country craft at all. Since it was Government's intention that full use should be made of this class of transport, it was therefore essential that every step should be taken to remedy the existing unsatisfactory position.

In the first place the Chamber enquired whether the scheme as set out applied to all country craft operating and registered on the West Coast of India and was not confined only to those carrying Government cargoes. It was of course essential that it should apply to all such craft and that no craft should be permitted to ply unless registered. It was suggested further that it might be advantageous to include under the scheme country craft travelling from the Indian Coastal Ports to foreign ports in the Persian Gulf, Mormugoa, etc.

A further point of considerable importance was that on occasions when jettisoning or sinkings had occurred, country craft owners and/or *tindals* should be legally obliged to note a protest at the nearest notified port to the place where the loss had occurred. A list of these ports should be published by Government and the Port Officer concerned required to make immediate

inspection of the damage alleged to have been suffered to both cargo and craft. This would materially help insurance companies and merchants where cases of fraud were suspected.

Referring to the Orders in detail, the following suggestions were offered :—

(iii) (*e*) The duties of the selected agents would be to appoint suitable agencies to handle the traffic at the port of delivery. It was suggested that between the words " agencies " and " to " the words " with facilities and staff " should be inserted.

(iii) (*f*) This clause should be deleted as it was unnecessary, since the market could absorb all the insurance that was offered.

(iii) (*g*) It was considered that this clause needed further amplification and should, in fact, contain instructions as to how selected agents were to make sure that seaworthy craft only were being operated and that in no case overloading occurred. It would be necessary to set out in detail the machinery that was to be provided, such as methods of control and inspection of craft. In this connection it was pointed out that large numbers of passengers travelled on these country craft and overloading was a danger to life.

(v) It was urged that Assistant Country Craft Organisation Officers should be appointed at the following ports in addition to the five already proposed : Karwar, Mangalore, Veraval.

The success of the whole scheme depended to a great extent on the appointment of trustworthy Assistant Country Craft Organisation Officers and Agents and every care should be taken to obtain suitable men and pay them an adequate salary.

An important part of their duties should be the arrangement of rations to ships' crews, and they should be given legal authority by the local Government concerned to arrange for the purchase of rations. Delays of three weeks or more had occurred owing to the inability of the crews to draw rations.

Officers should also, under the scheme, be empowered to allocate wharf space to country craft and thus avoid the blocking of much needed space by craft which were waiting to sail frequently at an indefinite date.

(v) (*e*) This clause made provision for a review of the position from time to time. It was considered most desirable that all Port Officers should be instructed to submit a monthly return to the Central Authority giving full details of all jettisoned cargoes or sinkings that had occurred during the month. This information was easy to obtain from the records of Port Officers. These returns should be made available to Chambers of Commerce.

(vi) At the end of this Order dealing with the enforcement of the scheme should be added the words: "the agent to be responsible."

In conclusion, attention was drawn to the fact that no reference was made in these Orders to the ports in the Native State of Cutch. In the experience of Marine Insurance Companies it was in these areas where the worst cases of fraudulent claims had occurred. It was considered necessary that immediate steps be taken at this State to see that goods were not allowed entry unless on the manifest of cargo of a craft and also the export certificate.

No reply was received to the above letter but the Committee subsequently had an opportunity of considering certain amendments of the scheme inaugurated by the Department of War Transport. It was decided that the duties of the Route Agents should be :—

(1) to secure craft and transport cargo at the rates fixed;

(2) to see that the craft-owner provides sufficient protection against the weather to the cargo on the voyage;

(3) to be responsible for ensuring that compensation due against pilferage of goods on board is recovered from the craft-owner and paid to the shipper up to the amount of the freight retained by the Route Agent;

(4) to make arrangements as far as possible to provide storage accommodation and labour at reasonable cost if requested to do so by the shipper or the consignee;

(5) to appoint suitable agencies to handle the traffic at the port of delivery;

(6) to arrange for insurance if requested to do so by the shipper.

(7) to take all reasonable precautions to see that only seaworthy craft are used and that they are not overloaded; and

(8) to comply with priority instructions issued by the Controller of Indian Shipping, Country Craft Organisation Officer or Assistant Country Craft Organisation Officer who will be advised by the P.S.T.O. from time to time regarding the priority to be afforded to the movement of military stores.

It was also decided that the composition of the Freight Advisory Committees to be appointed at Bombay, Karachi and Cochin in the first instance, should be as follows :—

(*a*) The Country Craft Organisation Officer or the Assistant Country Craft Organisation Officer;

(*b*) Route Agents;

(*c*) 3 Representatives of craft owners;

(*d*) 3 representatives of shippers.

At Bombay the Country Craft Organisation Officer would be the Chairman. The Assistant Country Craft Organisation Officer at Karachi and Calicut would be the Chairman at Karachi and Cochin respectively. The Chairman would have the power to co-opt not more than two members for any particular meeting.

While fully appreciating Government's desire in this direction the Committee felt that sufficient attention had not been given by the Government of India to the adverse effect on the war effort brought about by the fact that the craft was not surveyed for the purpose of ascertaining whether it was seaworthy. As matters stood, the survey of country craft was not undertaken by any recognised authority at any stage during the life of the craft, and owners and *tindals* were consequently induced to press their vessels into service irrespective of their seaworthiness and thereby exposed them to the perils of the sea. A case was brought to notice in which a country craft stranded on a sand bar was found to have been built in 1830. She came to grief with the loss of the major portion of her cargo.

Compulsory survey certificates would undoubtedly have the effect of reducing human casualties and for this reason alone if for no other, the Committee felt that the question of expense should not deter Government from immediately undertaking the certification of country craft.

In again addressing the Commerce Department in the matter the Committee urged that very early action should be taken. At the same time they also informed the Department of Transport of the Government of India that in their opinion it should not be one of the duties of the selected agents to arrange for insurance as was contemplated under the scheme.

COUNTRY CRAFT INSURANCE.

Reports on Collisions between Steamers and Country Craft.

In December 1943 it was reported to the Chamber that in a collision between a coastal steamer and a country craft the insurance company concerned was unable to obtain from Government a record of the findings in the case.

It would appear that on occasions when marine casualties occurred in coastal traffic, Courts of Enquiry were frequently dispensed with under existing war conditions. This gave rise to a very difficult position so far as insurance companies were concerned, as they were unable to decide their liability to the insured or to take such legal recourse as might be possible against a third party.

The Committee of the Chamber addressed the Government of India, Commerce Department, and pointed out that the failure to ensure that Courts of Enquiry were regularly held might well lead to insurance companies refusing to insure cargoes despatched by country craft, and this would entirely frustrate Government's

encouragement of the use of this method of transport. They strongly recommended that Government should take immediate steps to remedy the position.

SHIPS STORES.

Advisory Panel to Ministry of War Transport.

With a view primarily to check the rising prices of essential ships stores and to make supplies more readily available at the ports, the Ministry of War Transport in February 1944 opened stores at Bombay and Calcutta which were made available for use by all British, Allied and Norwegian ships. Shipchandlers could obtain their requirements for fulfilment of their contracts from these stores. Fresh meat, vegetables, refrigerated supplies and other items which comprised daily bazaar and sea stock did not come within the scheme, but tinned provisions would be stocked. Lubricating oils would be available from the oil companies who usually supplied.

A special Sub-Committee of the Chamber discussed the scheme with the Deputy Representative in India and Ceylon of the Ministry of War Transport and the Chamber was informed subsequently that it had been agreed to constitute an Advisory Panel, composed as under :—

Ministry of War Transport Represenative	Mr. L. J. Davies (Chairman).
Messrs. Wm. Jacks & Co.'s Representative	Mr. J. W. Jessop.
Ships' Agents' Representatives (nominated by the Chamber).	(*a*) Mr. T. H. Barclay (Messrs. Mackinnon Mackenzie & Co. (*b*) Capt. T. R. Dow, Messrs. Turner Morrison & Co., Ltd.
Shipchandlers' Association Representatives.	(*a*) Mr. Amiruddin Shalebhoy Tyebjee, Messrs. Shalebhoy Tyebjee & Sons. (*b*) Mr. Mohamedbhoy Ahmed S. Moloobhoy, Messrs. Ahmed S. Moloobhoy & Sons.

PORT OF BOMBAY.

EXPLOSION AND FIRE AT THE BOMBAY DOCKS.

Bombay Explosion (Compensation) Ordinance, (XXXII of 1944.)

On 14th April 1944 a ship loaded with ammunition caught fire and exploded in the Victoria Docks.

As a result other shipping was also set alight, the fire spreading throughout the Victoria and Prince's Docks to the surrounding area outside the Port Trust limits. Very serious damage was inflicted, a considerable number of godowns and their contents were destroyed and heavy loss incurred by many members of the Chamber. A large number of persons were rendered homeless.

Five of the Chamber's measurement chowkies were burnt to the ground together with their contents. The replacement cost of these amounted to approximately Rs. 29,000.

Fortunately, none of the Chamber's Measurement staff was killed or seriously injured, their escape being in great part due to the energetic action taken by the Superintendent of the Measurement Department, Mr. Marshall, in warning them to leave the dock area or to take cover before the explosion actually occurred.

Within a few days His Excellency the Governor General visited Bombay for the purpose of obtaining firsthand information and the President and Vice-President of the Chamber were granted an interview at which they expressed views previously agreed to by the Committee in connection with the question of compensation for losses incurred, the liability of insurance companies and the need for an early statement of policy in order to reassure the public.

A Citizen's Relief Fund was inaugurated by the Sheriff of Bombay in order to provide relief for the victims of the tragedy and their dependents, to which members were invited to subscribe and which met with a ready response.

It was understood that the Government of India's intention at one time was to compensate individuals up to 85 per cent. of the loss incurred, leaving the remaining 15 per cent. to the insurance companies, or if uncovered, to the individual concerned. The President, accompanied by Mr. Bullock, a member of the Committee, interviewed His Excellency the Governor of Bombay in this connection.

On the 31st May, the Government of India published through the Press a scheme for the relief of those who had suffered personal injury or damage to their property. The full text of the Government *communique* read as follows :—

" The Government of India have been actively considering the question of giving compensation to persons who have suffered personal injury or damage to their property in the area affected by the occurrence in the Bombay Docks on the 14th April 1944. With a view to avoiding mass litigation and consequent inconvenience and disruption of business, they have on grounds of broad policy decided on the scheme of relief outlined in paragraph 3 below. Fire Insurance Companies and Lloyds also have, on consideration of public policy and in general interest of India's war effort, agreed to make a voluntary

bulk contribution of 12½ per cent. towards liability assumed by Government on account of compensation in respect of property damaged by fire or explosion which has been insured against fire or explosion under their policies.

2. No compensation will in any case be payable under this scheme in respect of black market goods, i.e., goods which have not been declared or held under a licence as required by law for the time being in force (e.g., piecegoods not declared under the Cloth and Yarn (Control) Order. All claims in respect of such goods will be checked by reference to the appropriate officers, and persons who have failed to comply with legal requirements will be forthwith proceeded against according to law. It is the intention of Government so to extend the existing power to confiscate goods in respect of which an offence is committed as to include the power to confiscate any money recovered or recoverable in respect of damage to such goods.

Nor will any compensation be payable by Government under this scheme in respect of—

(1) Bullion, articles made of precious metals or stones (including jewellery and watches), curios and antiques;

(2) Currency notes and coins;

(3) Negotiable instruments, securities, stamps, title-deeds, manuscripts, business-books, patterns, models, plans, designs and other documents;

(4) Loss of profits and other consequential losses.

Where property which is required to be insured under the War Risks (Factories) Insurance Ordinance or the War Risks (Goods) Insurance Ordinance has not been so insured or is under-insured, Government reserve the right of proceeding against the defaulter and to set off any penalty or composition fee levied under the Ordinance against the compensation payable under this scheme.

3. The scheme of relief will be as follows :—

(*A*) *Damage by fire to property insured against fire under policies covering fire risk and damage by blast without fire intervening to property insured under fire policies extended to cover explosions.*—Compensation to the extent of 100 per cent. of the proved loss will be paid by Government. (The insurers have agreed to make a voluntary contribution of 12½ per cent. of the said amount to Government.)

(*B*) *Damage by blast without intervention of fire to property insured against fire under policies covering ordinary fire risk only.*—Compensation to the extent of 87½ per cent. of proved loss on the basis of the value as on the date of damage, subject to a maximum of 87½ per cent. of the value declared for the purposes of fire insurance.

(*C*) *Damage to uninsured property, that is property which is not insured either wholly or partially :—*

(1) *Damage by blast or fire to uninsured immovable property.*—Compensation to the extent of 75 per cent. of the proved loss on the basis of the value as on the 31st March 1939.

(2) *Household and personal effects.*—Compensation as indicated below on proved claims subject to a maximum of Rs. 5,000 per household :—

(*a*) On the first Rs. 2,000, 100 per cent.

(*b*) On any sum in excess of Rs. 2,000, 75 per cent.

(3) *Motor Vehicles.*—Compensation to the extent of 75 per cent. of the value on the basis of prices allowed under the Used Motor Vehicles Order, 1944.

(4) *Stock-in-trade and Merchandise.*—Compensation as indicated below on proved claims, subject to a maximum of Rs. 15,000 in any one case :—

(*a*) On the first Rs. 5,000, 100 per cent.

(*b*) On any sum in excess of Rs. 5,000, 75 per cent.

For the purpose of assessing the damage, the value of goods will be taken as on the date of the damage.

4. *Marine Policies.*—In respect of interests covered under Marine Insurance Policies, Government and the insurers have come to an arrangement under which the insurers will meet ascertained claims arising under such policies in full and Government will reimburse the insurers to the extent of 40 per cent. of the amount paid by them.

5. *Miscellaneous Policies.*—As regards motor car, workmen's compensation and miscellaneous accident insurance policies, Government have arrived at a similar arrangement with the insurers under which the insurers will meet the ascertained claims under such policies in full and Government will reimburse the insurers to the extent of 50 per cent. of the amounts paid by them.

6. *Personal Injuries.*—Compensation payable to servants of the Central Government, Bombay Government, Bombay Port Trust and Bombay Municipal Corporation will be determined by separate orders issued by the appropriate authority concerned.

The following relief, which is more liberal than that allowed under the Workmen's Compensation Act, will be afforded in the case of other persons.

If any compensation is recoverable under the Workmen's Compensation Act or under an " accident " insurance policy, the amount of which is less than the amount payable under this scheme, only the difference between the two amounts will be payable by Government, and if the amount received from the employers or the insurers exceeds the amount payable under this scheme, no compensation will be payable under this scheme.

Compensation for Death or Disablement.

Where the monthly salary or in the absence of monthly salary the average monthly income of the person concerned is	*Amount of lump sum compensation.*	
	For death.	*For permanent total disablement.*
	(*a*)	(*b*)
	Rs.	Rs.
Up to Rs. 20	900	1,300
Rs. 21 to Rs. 30	1,300	1,900
Rs. 31 to Rs. 40	1,800	2,500
Rs. 41 to Rs. 50	2,200	3,200
Rs. 51 to Rs. 60	2,400	3,800
Rs. 61 to Rs. 70	3,200	4,400
Rs. 71 to Rs. 80	3,?00	5,000
Rs. 81 to Rs. 100	4,500	6,300
Rs. 101 to Rs. 200	5,200	7,400
Rs. 201 to Rs. 500	7,000	8,500
Rs. 501 to Rs. 1,000	8,000	10,000
Rs. 1,001 to Rs. 1,500	10,000	12,500
Rs. 1,501 to Rs. 2,000	12,000	15,000
Above Rs. 2,000	14,000	17,000

Compensation for Partial Disablement.

Nature of Injury.	*Amount of lump sum compensation calculated at the following percentage of (b) above.*
	Rs.
Loss of right arm above or at the elbow ..	70
Loss of left arm above or at the elbow ..	60
Loss of right arm below the elbow	60
Loss of leg at or about the knee	60
Loss of left arm below the elbow	50
Loss of leg below the knee	50
Permanent total loss of hearing	50
Loss of one eye	30
Loss of thumb	25
Loss of all toes of one foot	20
Loss of one phalanx of thumb	10
Loss of index finger	10
Loss of great toe	10
Loss of any finger other than index finger ..	5

Note.—The expressions "permanent disablement" and "partial disablement" have the same meaning as is assigned to them in the Workmen's Compensation Act, 1923.

7. Persons who have suffered loss or damage to their property, whether insured or uninsured, are advised to arrange forthwith for a survey by a Surveyor approved by the Central Government under the War Risks Insurance Schemes of the appropriate category. A list of such surveyors can be obtained from the Secretary, Bombay Fire Insurance Association or from any member company of the said Association. In case surveys have already been carried out by a person other than an approved Surveyor, the fact should immediately be reported through the Secretary, Bombay Fire Insurance Association, 6, Rampart Row, Bombay, to the Government of India, in the Finance Department who reserve to themselves the right to require a fresh survey to be made by an approved Surveyor.

8. Any amount payable by Government under this scheme to a claimant will be paid on the claimant executing the prescribed document surrendering in favour of Government all rights whatsoever arising out of the occurrence.

9. Claims under items A and B of paragraph 3 above should be submitted on the prescribed forms. Such forms may be obtained from the insurance company concerned to whom the completed form with the relevant documents should be submitted as soon as possible for transmission through the Secretary, Bombay Fire Insurance Association, 6, Rampart Row, Bombay, to the Special Claims Committee set up in Bombay by the Government of India.

Claims in respect of uninsured property and personal injuries will be entertained and determined by Claims Commissioners to be appointed for this purpose."

The scheme was brought into operation by the promulgation of Ordinance No. XXXII of 1st July, entitled "The Bombay Explosion (Compensation) Ordinance."

The settlement of all claims under the scheme was vested in the Claims Commissioner and the Claims Committee. The latter dealt with claims for the loss of insured property while

Mr. Oscar H. Brown, Chief Presidency Magistrate, the Claims Commissioner, dealt with compensation for death and permanent personal disablement. Two other Commissioners were appointed to deal with claims for compensation in respect of damage done to uninsured property both movable and immovable.

Compensation for losses suffered by the Chamber.—In accordance with the terms of the Bombay Explosion (Compensation) Ordinance, 1944, the Chamber submitted its claims for damage to property amounting to Rs. 9,188-0-0 and Rs. 3,165 for stock in trade and merchandise. Subsequently the Chamber received cheques for the following amounts:

Immovable property	Rs. 6,891 i.e., 75 per cent. of Rs. 9,188
Movable property	,, 3,165
	Rs. 10,056

The Committee recompensed the staff for the loss of their personal effects to the extent of Rs. 1,058.

Issue of Import Replacement Licences.—In June the Government of India agreed to issue import replacement licences for goods lost in the explosion. Details of the procedure to be followed in making out such applications were communicated to members by this office circular No. 1407/92B of the 17th June 1944. In every case a certificate from an approved surveyor, testifying to the extent of the actual loss, had to accompany the application.

EXPLOSION IN THE DOCKS.

Reconstruction of Buildings and Godowns affected by the Fire and Explosions.

A meeting was held in the Board Room of the Port Trust on the 7th June 1944 for the purpose of exchanging views with representatives of the Indian Merchants' Chamber and the Bombay Chamber of Commerce in connection with facilities for reconstruction of buildings and godowns on the Port Trust Estate affected by the recent fires and explosions. One of the points stressed at the meeting was that any attempt by the military to acquire or requisition any of the area affected by the explosions should be opposed. It was also urged that the construction of temporary buildings should be permitted pending the application of the Town Planning Act to the affected area.

Subsequently the Committee informed the Bombay Port Trust that they fully supported the view that temporary godowns should be constructed as soon as possible and that permanent

buildings should be governed by a properly worked out scheme in due course. They also supported the statement that it would be unjustifiable on the part of the Military Authorities to take over any part of the area affected by the recent explosions and they expressed a hope that the Port Trust would make every effort to press this point of view on Government.

Later, the following decisions of the Port Trustees were communicated to the Chamber in the above connection :—

Remissions of ground rents in respect of leaseholds and tenancies affected by the fires.—Ground rents would be remitted for the period, 15th April 1944 to 30th September 1944 (or the date of occupation of the plot for any purpose whatsoever, whichever was earlier). Thereafter ground rent would, as a general policy, be charged at the open storage rate of As. 4 per square yard per month, irrespective of whether the plot was situated on the west of Frere Road or on Manson Road or was a rice godown plot, except that, where the existing rate was less than As. 4 per square yard per month, the lesser rate, i.e., the existing rate would be charged. The date up to which the open storage rate would be levied would be specified later by the Board and with effect from the date so fixed, the existing lease or tenancy rates would apply, subject to such " free building time " as was usual in Port Trust leases and as the Trustees might think it fit to grant in each case.

Rents in respect of Port Trust Structures destroyed in the Fires. The rent bills in respect of such structures would cease with effect from 15th April 1944.

Rebate for Prompt Payment of Rent Bills..The usual rebate in rent would be granted provided the rent bills for the months of March and April 1944 (up to and inclusive of 14th April 1944) are paid on or before 31st July 1944 and provided that no accruing rent was in arrears for the period prior to March 1944.

LIABILITY FOR GOODS LOST WHILE IN THE POSSESSION OF THE PORT TRUST.

(*See Reports*, 1920, *Volume I, page* 179 ; 1921, *Volume I, page* 167; 1923, *Volume I, page* 182 ; 1924, *Volume I, page* 197 ; 1925, *Volume I, page* 230 ; 1926, *Volume I, page* 268 ; 1943, *page* 128.)

It was recorded in the Chamber's Report for 1943 that the Committee had suggested to the Bombay Port Trust that the unsatisfactory state of affairs in respect of pilferages from packages lying in the Docks should be given urgent consideration by the Trustees and that instructions should be issued that more care should be exercised in the protection of property which the

owners had been forced to leave in the charge of the Port Trust and also that the supervisory staff should be increased to enable a more careful check to be kept.

The Port Trust in reply submitted the following report by the Docks Manager on the subject and stated that at the request of the Commander, Base Sub Area, at the time, the Chairman convened in May 1943 a meeting which was attended by representatives of all the departments concerned with Docks security, to consider the question. As a result of the conclusions that emerged from the discussions at this meeting a number of anti-pilferage measures were introduced by the Police, the Embarkation authorities and the Docks Department. The Commander subsequently (in November 1943) informed the Commissioner of Police that he was satisfied that pilferage had been reduced to what he considered the lowest possible limits. The measures, then taken had not been relaxed in any way, and the Chairman requested the Chamber to bring to the notice of the Police specific instances of theft as soon as they occurred.

Copy of report by the Docks Manager, dated 17th February, 1944.

On the general question of pilferage, there have been repeated references to this matter in the English Shipping papers.

Blackout conditions and the black markets combined with indifferent packing have all assisted the pilferer in port of shipment and it is thought that Bombay and other Eastern ports are unjustly saddled with the blame for many shortages which have originated in the loading ports.

Stringent measures have been taken in Bombay to reduce pilferage in the docks to a minimum.

The Police maintain a strict check on all persons entering the docks. There is constant patrolling of the sheds by civil Police constables and the Military Security Police staff and special compartments are set aside in the sheds for damaged or easily pilferable goods.

It is considered that everything possible is being done in this Port to cope with this question and it is my opinion that the docks have now become as safe as can be expected having regard to the large quantities of damaged packages and indifferently packed goods which are landed here.

Petty pilferage is inevitable, but even this is kept down by the vigilance of all concerned.

On the question of the disappearance of packages it may be pointed out that in many cases such packages have been examined by the Customs in the Customs Examination Centres in the docks and have been allowed to lie in these centres for several days while the necessary formalities are being completed.

All reasonable care is taken to safeguard such cargo. Special plain clothes Police constables are posted at these points in addition to the ordinary Watch and Ward Police in the docks.

Despite these measures, it is difficult at a time when packages are being opened and closed on all sides, to detect unauthorised persons who are attracted by a package which has perhaps been carelessly closed down.

It is in the interests of importers to close down and seal their packages immediately after Customs examination and return them to the transit shed for safe custody.

Admittedly the Trust does not accept responsibility for packages opened for Customs examination, but if such goods are left lying at the examination centres they merely congest the area and attract the pilferer and thief.

I think it will be generally admitted that the Port has been passing through strenuous times, when the first consideration has been the quick turn-round of vessels and the rapid clearance of goods landed in the Docks.

During the rush in 1942 when the Far Eastern ports were suddenly closed, conditions in the docks were abnormal and the checks on deliveries could not be maintained at the peace-time level owing to the large quantities of Government stores and military and naval equipment which had to be cleared out of the Docks urgently for operational purposes.

Military needs took priority and the absence of covering documents added to the difficulties.

There has since been a considerable tightening up all round and with better manifesting and the insistence on proper covering documents conditions have materially improved.

In view of the then existing circumstances due to the explosions in the Docks the Committee decided not to pursue the matter for the time being.

BOMBAY PORT TRUST.

CERTIFICATES OF SHORTLANDINGS.

In September 1944 the attention of the Chamber was drawn to the unsatisfactory condition of the tallying of imported goods by the Bombay Port Trust staff in the Docks and in particular to the inability of the steamer agents or the banks concerned to obtain details of the cargo landed ex s.s. "Tawali" which was diverted to Bombay in April 1942 from the Netherlands East Indies. The Committee understood that the voyage of the above named vessel which was carrying cargoes from the United States of America to the Netherlands East Indies, was frustrated after she had discharged some of her cargo at Tjilatjap, South Java. Due to circumstances brought about by the war no documents regarding the cargo were on board when the ship arrived at Bombay, and the agents had therefore to depend on the outturn report of the Bombay Port Trust to ascertain what cargo had actually been shortlanded here. The Committee were informed that frequent requests had been made to the Bombay Port Trust both by the agents of the steamer and by the banks concerned on behalf of the shippers in America, for shortlanded certificates but without result.

As the Committee were at a loss to understand why the Port Trust did not give these certificates or explain why they were not in a position to do so, if such was the case, they requested the Chairman of the Port Trust to give this matter his personal attention.

A reply was subsequently received in which it was explained that following the outbreak of hostilities in the Far East, a large number of cargoes originally destined for Far Eastern ports were diverted to this port, in the majority of cases with no documents or documents so incomplete as to admit of no check or tally.

This was particularly the case in regard to the s.s. " Tawali " whose cargo was frozen by the Government from the commencement of discharge and it was not until December 1943 that deliveries of the requisitioned cargoes were completed and it was possible to prepare anything in the nature of a complete outturn of the vessel. At the time of discharge, tally ex ship had of necessity to give way to the quick turn-round of the vessel. In addition, the marks on the packages were completely strange to Port Trust staff, and it was, therefore, quite impracticable to produce any reliable outturn at the time of discharge.

In the course of completion of the documentation for the cargo the records were in the hands of the Revenue Audit Office, Prince's Dock, when the explosion on 14th April destroyed the greater portion of the documents on which the outturn could be based, and it was only the fact that precautions had been taken to compile duplicate records at the time of delivery that enabled the staff to continue the reconstruction of the outturn, after that catastrophe.

This state of affairs was reported to the Controller of Supplies, Bombay, in May 1944 and it was with his assistance that it had been possible to continue the work after the original records were destroyed.

Most of the packages had been accounted for and several enquiries from claimants had already been dealt with and their claims met by the Controller of Supplies on the strength of the information so obtained. It was hoped that it would be possible to complete the outturn and to reply to all outstanding enquiries within the next two months, i.e., by the end of the year.

In expressing regret at the delay which had occurred the Port Trust pointed out that these delays had been unavoidable, bearing in mind the circumstances in which the cargo was received and disposed of, and in view of the abnormal difficulties caused by the further destruction resulting from the explosion and fires of 14th April 1944.

BOMBAY MUNICIPALITY.

BOMBAY MUNICIPAL WATER TAX.

TEXTILE INDUSTRY.

(*See Reports*, 1941, *page* 137 ; 1942, *page* 148.)

It was recorded in the Chamber's Report for 1942, that at a meeting of the Municipal Corporation held on 29th January,

1942, the Chamber's representative had moved the following proposition :

"That the water revenue for the year 1942-43 be estimated at the rate of annas ten per 1,000 gallons instead of at annas fourteen as proposed by the Standing Committee in respect of (1) cotton and other mills, and (2) dyeing and bleaching mills and the Standing Committee's estimate in respect of receipts therefrom be reduced accordingly."

The proposition was, however, defeated by a large majority.

On the 11th January 1944, the Bombay Millowners' Association addressed the Bombay Municipal Corporation protesting against the proposed increase and the Committee of the Chamber in supporting the protest drew attention to the representation made by them in June 1941 wherein they expressed the opinion that the water rate as then charged by the Municipality to the cotton industry was unjustifiably high and suggested that it would be desirable for a thorough investigation of the whole system of water taxation adopted by the Municipality to be undertaken. The Committee were unaware if any investigation was in fact made, but the motion for the reduction of the water tax payable by the textile industry was defeated at the meeting of the Corporation.

The Committee felt it was unnecessary to reiterate the weighty arguments advanced by the Millowners' Association both in their letter of the 22nd May 1941 and their letter of the 11th January 1944, but they emphasised that the contents of both these letters met with their full support.

In their view there was little case for an increase in the water tax at all, but even if a contrary view were to prevail there was every reason that such increase should be by a fair and just readjustment of tax amongst all consumers, and that cotton, dyeing, bleaching and other mills should not be singled out for special treatment detrimental to their interests.

LABOUR.

LABOUR INVESTIGATION COMMITTEE.

As a sequel to the resolutions passed at the Tripartite Labour Conference held in September 1943 the Government of India appointed a Labour Investigation Committee consisting of Mr. D. V. Rege, I.C.S., Chairman, Dr. Ahmad Mukhtar, (Member) and Mr. B. P. Adarkar (Member and Secretary), for the purpose of collecting information bearing on various aspects of social

security which would enable the Planning Committee subsequently to be set up, to draw up a scheme of social security for labour in India. The terms of reference to the Committee were :—

(*a*) To collect data relating, *inter alia*, to wages and earnings, employment, housing and social conditions of labour and in particular of industrial labour, in India, and

(*b*) to investigate and report, *inter alia*, on the following matters :—
(1) the risks which bring about insecurity,
(2) the needs of labour, by various classes, to meet such risks,
(3) the methods most suitable for meeting such risks; and
(4) housing and factory conditions.

The Committee visited Bombay between the 29th March and 3rd April 1944 and a deputation from the Chamber consisting of Messrs. A. L. HUTSON, R. W. BULLOCK and A. W. PERCY had an informal discussion with them at the Secretariat on the 1st April 1944.

In July 1944 the Commissioner of Labour, Bombay, forwarded to the Chamber a copy of the general questionnaire prepared by the Labour Investigation Committee and requested that replies might be sent direct to the latter.

The Committee of the Chamber noted that the questions fell into three main groups :—(*a*) those which Provincial Governments were best able to answer ; (*b*) those of a general character which the Labour Investigation Committee had already put to representatives of the Chamber in Bombay, and had received replies thereto ; and (*c*) those which could only be answered by individual firms.

In the Committee's opinion, it was quite impractical for the Chamber to attempt to consolidate or co-ordinate such replies as might be received from its members in the third group. They, therefore, recommended to the Labour Investigation Committee that they should address the questionnaire direct to the firms concerned, a list of whom was submitted. The Committee understood that the majority of the members of the Chamber employing labour were either members of the Millowners' Association, the Indian Engineering Association, or the Employers' Federation of India, and all of them had been addressed separately by these organisations.

Subsequently the Commissioner of Labour forwarded to the Chamber a copy of a supplementary questionnaire on mines prepared by the Labour Investigation Committee but as only a few members were likely to be interested through their Calcutta offices who would, no doubt, be approached direct and the other members of the Chamber directly interested had been addressed separately, no action was taken by the Chamber.

PAYMENT OF WAGES (AMENDMENT) BILL.

(*See Reports*, 1926, *Volume I*, *pages* 66 *and* 69 ; 1933, *page* 289 ; 1935, *page* 199 ; 1938, *page* 143 ; 1939, *pages* 185 and 271 ; 1940, *page* 177.)

A Bill was introduced in the Legislative Assembly on the 1st November 1944 with the object of amending the Payment of Wages Act, 1936. In the statement of objects and reasons and the notes on clauses appended to the Bill it was mentioned that the Payment of Wages Act, 1936, when passed, was recognised to be an experimental piece of legislation. During its working a number of defects and difficulties had come to notice. While many of them could be left to be dealt with by comprehensive legislation at a later date, it was considered necessary to remove a few even during war-time and the Bill sought to achieve this object.

It was stated that the definition of " wages " in the existing Act had given rise to much difficulty in interpretation. The phrase " whether conditionally upon the regular attendance, good work or conduct or other behaviour of the person employed, or otherwise " had led to the impression that an employed person was entitled to full wages irrespective of the stipulated outturn. This was not the intention and it was proposed to omit this altogether, at the same time making it clear that the " wages " had to be earned under the contract of employment.

The revised definition also got over another difficulty. Previously it was not clear if wages under a profit-sharing scheme which could not be calculated until after profits were known, had nonetheless to be paid within the " wage period." This practical difficulty was sought to be overcome.

Doubts were expressed whether allowances of the kind given against increased cost of living formed part of " wages." The revised definition specifically included such allowances.

The linking of the date of payment with the number of employees had caused difficulties. It was affected by factories working either single or double shifts or by a slight change in the number of employees. The main object of the Act was to ensure that wages were paid regularly and this would still be accomplished if the period was uniformly fixed at 10 days as proposed.

The reference to " working " day did not adequately cover cases of seasonal factories or factories that closed down. The second " working day " might be after the lapse of several months or might never occur. At the same time it was not always practicable, for instance in railway employment, to ensure payment in so short a time as two days.

It was accordingly proposed to substitute the word " third " for the words " second working " in sub-section (2) of section 5.

Some judicial decisions on questions of stoppage of increments or reductions, etc., had led to difficulties. The Sind Chief Court held some time ago that the temporary reduction of an employee from one step in an incremental scale to another amounted to a " deduction " within the meaning of the Act. Doubts had also been expressed whether reductions, demotions, etc., by way of disciplinary measures amounted to " deductions."

The amendments sought to make the position clearer and provided as follows :—

(*a*) Where there was an incremental scale, a stoppage of increment and reduction in the incremental scale as disciplinary measures were authorised, but the latter might only be made after notice for such period as was required under the contract of employment for the termination of employment.

(*b*) A diminution of wages by reason of requirement to perform work involving a standard of skill or responsibility lower than that in the previous work, was not a " deduction."

Acts or omissions might not be detected for some time after their commission. The existing provision requiring that no fine should be recovered after the expiry of sixty days from the date of the act or commission, therefore, became sometimes impracticable. It was accordingly proposed that the time should count from the date of detection of the act or omission.

It was considered necessary to empower an Inspector in some cases to go in appeal against an adverse decision.

In consultation with the Labour Sub-Committee of the Chamber the following telegram was despatched on the 4th November 1944 to the European Group of the Central Legislative Assembly :—

" Amendment of Payment of Wages Act in view of definite inclusion of dearness allowance with wages in new amendment Act, while under Section (VI) (*c*) the employer is protected against enforced payment in cash to the employee of the employers provident fund contribution, the employee will now have to pay a percentage of allowances as well as of wages as his contribution and the employer who has agreed to contribute a like amount to the fund will also be penalised, unless the rules of many existing provident fund schemes are altered. Therefore suggest proviso be introduced as follows, in the case of existing provident fund schemes nothing in this Act shall make it obligatory for the employee or the employer to pay or to receive into provident fund accounts a percentage of wages, allowances or emoluments, other than the percentage of basic wages specified in the rules of such existing provident funds."

After moving a motion for reference of the Bill to a Select Committee, the Labour Member accepted an amendment for circulation for public opinion.

HOLIDAYS WITH PAY.

(*See Reports* 1935, *page* 201 ; 1937, *page* 191 ; 1942, *page* 191.)

A Bill to amend the Factories Act, 1934, by the inclusion of provisions for holidays with pay to workers was introduced in the Legislative Assembly in April 1944. According to the statement of objects and reasons, the Bill sought to confer on workers in perennial factories the benefit after a year's service of at least seven consecutive days holidays of which at least six would be paid for. It did not seek to affect the continuance of other local or customary holidays at present given by an employer to his workers. The holidays would be allowed to accumulate, up to one week being added to holidays subsequently earned. Provincial Governments would be empowered to exempt any factory in which the leave rules provided for benefits substantially similar to those included in the Bill. The Bill also provided for the grant of compensatory holidays against the loss by a worker of his weekly holidays as a result of an order or rule made under the Factories Act.

The terms of the Bill were referred to the Labour Sub-Committee after which the Committee informed the European Group at the Centre that they were in general agreement with the Bill.

The following comments were, however, submitted on clauses 49B and 49C :—

49*B*.—As it stood the rule laid down that the period of twelve months that would qualify for the seven days' leave must be continuous, that is to say, if a man absented himself without leave his period of continuous work ceased to count and he had to start over again. The Committee approved of the wording and did not suggest any change as this would seem to condone absence without leave.

49*C*.—This clause provided for pay during annual holidays at a rate equivalent to the average of the worker's earnings during the preceding three months, exclusive of any earnings in respect of overtime. It was suggested that the words " at a rate equivalent to " might be substituted by the words " not lower than." The Committee also considered that dearness allowance should be included in the average of the employee's earnings.

RELATIONS BETWEEN EMPLOYER AND EMPLOYEE.

Proposed Standing Orders for Large Industrial Undertakings.

On the 22nd January 1944 the Government of India issued a draft order under Rule 81A of the Defence of India Rules making provision for standing orders in industrial concerns

employing 250 or more persons regulating the relations between employer and employee with regard to any scheduled matter and that such standing orders should have statutory force. The draft order followed largely the provisions in Chapter V of the Bombay Trade Disputes Act, but in order to provide elasticity it did not refer to representatives of employees, qualified or recognised trade unions or the Industrial Court. The Schedule covered :—

1. Classification of employees, e.g., permanent, temporary, apprentices, probationers, *badlis*, etc.

2. Manner of notification to employees of periods and hours of work, holidays, pay days and wage rates.

3. Shift working.

4. Attendance and late coming.

5. Conditions, procedure and authority to grant leave and holidays.

6. Liability to search and entry into premises by certain gates.

7. Temporary stoppages of work and rights and liabilities of employers and employees arising therefrom.

8. Termination of employment. Notice to be given by employer and employee.

9. Suspension or dismissal for misconduct and the acts or omissions which constitute misconduct.

10. Means of redress for employees against unfair treatment or wrongful exaction on the part of the employer or his agent or servant.

The Committee submitted the following comments on the proposed Order :—

Whilst readily agreeing that suitable legislation for a set of standing orders was in the interest of both employer and employee, the Committee considered that labour legislation such as this was so far-reaching that it was essential that employers should have ample time to consider the proposal. The draft as it stood appeared in certain respects to cut right across the procedure of adjudication which had been set up under the Defence of India Act and Rules, and the Committee therefore recommended that the orders should not be published until employers had had a fuller opportunity to discuss with Government the many apparent anomalies in the draft Notification. Since the order sought to impose on an all-India basis most of the provisions of the Bombay Industrial Disputes Act, it would seem that it was not of vital urgency to bring this order into force as far as the war effort was concerned, and the Committee preferred to see the matter introduced as a Bill and debated in the Assembly.

The Committee then set out their comments on various sections of the draft Order as under :

Section 3.—Strong objection was taken to the inclusion in the order of any employees other than factory workers. Many firms had their head offices located at the factory office and their clerical and supervisory staff were usually engaged on different

terms and conditions. It was, however, considered that the Order should apply to all factories employing not less than 20 persons as defined in the Factories Act. It was chiefly the factories employing less than 250 persons that were most backward in their arrangements regarding apprentice training and regularisation of conditions of employment, and they should be brought into line with the more progressive industries.

Section 4 (2).—The Committee raised no objection to the terms of this section, since standing orders should be based on previous practice arrived at between employer and employee.

Section 9.—The suggested static period of six months compared favourably with the maximum given by an Adjudication award followed by a Government order, as the present procedure of the Government of Bombay was to enforce awards for two or four months. Although it seemed the intention under this section that standing orders should be accepted by all concerned for a period of six months from the date on which they came into operation, the Committee considered it essential that a stipulation should be included which would ensure that Provincial Governments would not accept during the period of six months the existence of any trade dispute on the subject of the standing orders or scheduled matter and that any strike which might threaten as a result of the dispute on the subject of the standing orders or scheduled matter in that period would be illegal. Alternatively, the procedure of adjudication should be amended, whereby the awards would be made binding for six or preferably twelve months.

Section 10.—The Committee opposed the requirement that the employer should post his standing orders on special boards outside the main entrance of his establishment. They considered that the situation would be better met if it was stipulated that the standing orders should be posted prominently on notice boards which could easily be seen by all employees.

Section 11 (1) (*a*).—The Committee recommended that the proposed Order should await notification until the Trade Union Amendment Bill which covered recognition, was enacted, since the case of the union which was not recognised by the employer or the employer who did not recognise any trade union was not covered under this sub-section.

Section 11 (1) (*b*).—The Committee considered that 25 per cent. should be the representation figure for unions and could not approve the suggested percentage figure of 10 per cent.

Section 12 (2).—It was not altogether clear as to what a "specified officer" was supposed to do if he was satisfied that the agreement was the result of a mistake, misrepresentation, threat,

etc. Did he ignore the agreement ? If he did, then once again it might be said that a trade dispute existed and there would therefore have to be an adjudication order by the Provincial Government. Could the employer claim that he had made an agreement altering his standing orders as a result of a threat to strike, and therefore the " specified officer " should ignore the agreement ? This section needed clarification.

Scheduled Item 2.—Clarification was required as to whether rates of wages were covered under this item or only " the manner of notification to employers " of rates of wages.

In conclusion, the Committee drew attention to the fact that the Chamber of Commerce which represented a number of concerns employing labour on a large scale was not referred to for their views when the draft Order was first circulated for opinion, and requested that in future it should not be omitted.

INDUSTRIAL DISPUTES.

Adjudication Proceedings.

Early in June 1944 the Committee in addressing the Government of Bombay pointed out that in the matter of trade disputes between labour and their employers regarding bonuses the Government of Bombay had on many occasions in the past, for securing the efficient prosecution of the war under the powers conferred by clauses (*d*) and (*e*) of sub-rule (1) of Rule 81-A of the Defence of India Rules, referred such disputes to adjudication.

In such adjudication proceedings the adjudicators frequently based their findings on the profits earned by the industry concerned thereby creating a precedent for the establishment of a relation of bonuses to profits. In the adjudication award published on 13th November 1943, in the dispute between two companies and their employees, the adjudicator said " If the . . . Company has in fact made unusual profits in any particular year then its employees are entitled to a share in these profits by way of bonus, according to the reasoning I have set forth above." In a previous award published in the *Bombay Government Gazette* on 22nd October 1942, the adjudicator said " . . . if as a result of abnormal conditions some of these concerns like the . . . Company—are making large profits, it seems but fair to me that an infinitesimal fraction of these profits may well be given by way of bonus to the workers of this company . . . "

In the Committee's opinion, an adjudicator went beyond his terms of reference in making such statements. His first concern was whether the nature of services rendered by labour warranted the payment of a bonus. His other consideration was whether the balance sheet of the company indicated that there were

financial resources sufficient to meet a bonus award. The adjudicator, in framing statements such as were quoted, completely overlooked the fact that the existing abnormal business conditions had necessitated the investment of large amounts of additional capital at a time when the risks attendant on business were magnified a hundred-fold by complications of the war. Furthermore, the question of profits as such were fully dealt with by income-tax and excess profits tax legislation.

The Committee felt that the principle established was so fundamentally wrong that labour unions not only in Bombay, but elsewhere might seize upon this precedent to make repeated demands for bonuses or some other form of profit-sharing. Further, it was apt to spread to clerical staff of nearly all industries and representative firms in Bombay.

The Committee recognised that it was Government's concern to secure improvement in the general standard of wages and in the condition and terms of employment and provision to meet the increased cost of living, but in an adjudication proceeding the adjudicator should only concern himself with these factors and not the profits of the industry and should base his findings accordingly.

In conclusion the Committee reiterated that in their view a bonus was a gratuitous payment and was not of necessity relative to profits and they expressed a hope that if this principle was acceptable to Government adjudicators would be instructed accordingly.

Beyond a formal acknowledgment no reply was received from the Government of Bombay.

BOMBAY INDUSTRIAL DISPUTES (AMENDMENT) BILL.

(*See Reports*, 1938, *page* 137 ; 1939, *page* 180 ; 1940, *page* 178.)

In Part V of the *Bombay Government Gazette* dated 22nd September 1944, the Political and Services Department of the Government of Bombay published a Governor's Bill to amend the Bombay Industrial Disputes Act, 1938. In the statement appended to the Bill it was mentioned that there was no provision in the Bombay Industrial Disputes Act, 1938, under which it would be possible for the Labour Officer to hold for any of the purposes of the Act meetings in the mill compounds if the millowners objected to permit the use of their premises for the meeting. It was proposed, therefore, to amend the Act to take power to the Labour Officer to do so and to require the employer to post notices of such meetings at such places on the premises as he might order.

After consulting the Labour Sub-Committee the Committee informed the Government of Bombay that in the first place they protested against the publication by Government of a Bill having such far-reaching effects, without prior consultation with the interests likely to be affected. The Committee felt that if such consultation had taken place, the terms of the Bill, while carrying out Government's intentions, would have been less objectionable from the employers' point of view.

At the moment, when the Labour Officer desired to call a meeting of employees, e.g., under the provisions of section 31, he had to obtain the employers' permission to hold the meeting on the latter's premises, and so far as the Committee were aware, this permission had not been refused by any employer in Bombay. This Bill, however, sought to empower the Government Labour Officer to convene meetings on the premises of the employer for any of the purposes of the Act. The Committee visualised that there would be certain conditions under which it would be most unwise to hold meetings in a mill or factory compound and considered that employers would be better judges of such conditions than the Government Labour Officer.

Further, the scope given to the Labour Officer in regard to the wording of the notices to be put up inside a factory was far too wide. The reason for such a radical change was not understood.

The Committee expressed a hope that before any further action was taken in regard to the Bill, Government would arrange to hold a conference with the interests concerned and added that if such a conference was convened this Chamber would be prepared to nominate delegates.

INDUSTRIAL STATISTICS.

(*See Report* 1942, *page* 104.)

A reference was made in the Chamber's Report for 1942 to the Industrial Statistics Act which was passed by the Central Legislature towards the end of March 1942 and received the assent of the Governor General on the 3rd April 1942 (Act XIX of 1942). The Act was brought into force in the Province of Bombay on the 1st March 1943, and the Director of Industries, Bombay, was appointed the Statistics Authority for the Province.

In the *Bombay Government Gazette*, Part IV-A, dated 17th February 1944, the Government of Bombay published a draft of a Notification which it was intended to issue in exercise of the powers conferred by section 12 of the Act. Under the draft rules it was proposed to authorise the Statistics Authority to serve on any person connected with a factory a notice in

writing requiring such person to furnish him annually on or before the 30th April in each year a return in the prescribed form containing the particulars specified in the form. Detailed information was required under the following general heads :—

Section I—Capital.

A.—Block Account;

B.—Working Capital; and

C.—Non-productive assets.

Section II—Industrial Production.

Section III—Raw materials used for the manufacture of articles produced by an undertaking.

Section IV—Power machinery and cost of energy.

Section V—Industrial employment.

After consulting members and interviewing the Adviser to His Excellency the Governor in charge of the responsible department the Committee submitted the following comments on the draft notification :—

The Committee stated that the information called for under the rules went far beyond the scope of statistical information collected normally by Government departments from commerce and industry and beyond even the statement of objects and reasons covering the Industrial Statistics Act, 1942.

Much of the information called for was of an essentially private nature, and in many cases confidential with the administration of companies themselves, and the Committee while admitting that the Act contained a clause covering disclosure of information, suggested that it would in practice be exceedingly difficult to enforce secrecy or to prove leakages.

The Act was a Central Government Act, but the power to make rules was in the hands of Provincial Governments, and in the Committee's view it was essential that if such rules were drawn up they should be agreed to by all Provinces and brought into operation by all Provinces at the same time.

They also drew Government's attention to the fact that apart altogether from the foregoing objections, it would be exceedingly difficult at the present time for firms and companies to compile the information called for owing to the shortage of suitable clerical staffs.

In dealing with the Committee's comments the Government of Bombay pointed out that, as regards the contention that the information called for under the Rule went far beyond the statistical information collected normally by Government Departments from commerce and industry, and beyond even the statement of objects and reasons covering the Industrial Statistics Act, 1942, in other

countries Governments collected and published even more detailed and comprehensive information about industrial and general economic conditions. No such information had hitherto been collected in this Province and the general information supplied by factories about employment, etc., was found inadequate to meet the needs of the situation. The passing of the Industrial Statistics Act, 1942, was specially meant to collect more detailed information. The Act gave full powers to the Provincial Government to collect any information concerning " any matter relating to factories."

As regards secrecy, Government gave an assurance that the Department of Industries would take the greatest care to maintain it. As an additional precaution Government suggested that it would be open to the Chamber to adopt a special code for its members similar to that used in bank references, which it was understood consisted of the initials of the establishment accompanied by a code number. The Department of Industries was ready to accept this or any other practicable suggestion for maintaining the secrecy of the information furnished.

It was originally intended that there should be a uniform rule for the whole of India, but as this was delayed and as the local Government's Commercial Intelligence Section was already in existence and the need for reliable statistics had become urgent the Central Government agreed to the publication of this Rule in the Bombay Province without waiting for an all India Rule. There was no doubt that other Provinces would follow Bombay's example before long. The Government of India was fully aware of the need for collecting information on a uniform basis all over British India, and under section 11 of the Act they had powers, if need be, to give directions to the Provincial Governments.

With regard to the Committee's comment on the present shortage of suitable clerical staff for the compilation of the returns, Government pointed out that clear detailed instructions would be given in the form. Several firms who had been consulted in the matter stated that they did not expect to find any special difficulty in completing the form. If, however, any difficulty was felt, the Department had appointed special Investigators under the scheme whose duty it would be to help commercial establishments in filling up the form if asked to do so. In minor industries the Department realised that such assistance would be necessary in almost every instance. In the note to section 2 of the form, firms which were already supplying particulars under the Cotton Industries Statistics Act of 1926, or to the Director of Commercial Intelligence and Statistics, Calcutta, were enabled to include them in the same form in this section to avoid duplication of labour.

After giving the above reply careful consideration, the Committee agreed to co-operate with Government, on the understanding that every endeavour would be made to ensure that secrecy was maintained and that the statistical data asked for were kept within reasonable limits.

Government's attention was again drawn to the undesirability of the Act and Rules being brought into force in one Province only, and urged that the Central Government should arrange for identical Rules to be formulated by other Provincial Governments and that they should be brought into force simultaneously.

The rules were published in their final form in Part IV-A of the *Bombay Government Gazette* dated 31st March 1944.

INDUSTRIAL HEALTH.

Health Survey and Development.

Early in 1943 the Government of India appointed a Health Survey and Development Committee for investigating the existing health problems in the country and for formulating plans for future development. This Committee divided itself into five Advisory Committees for dealing with different aspects of the health problem. One of these was the Industrial Health Advisory Committee. This Advisory Committee prepared a questionnaire, a copy of which was sent to the Chamber towards the end of February 1944 together with a statement on the existing distribution of legislative and administrative functions between the Central and Provincial Governments in matters relating to industrial health. The Chamber was requested to give answers to as many questions as it was interested in by the middle of March.

In reply the Committee pointed out that few of the questions could be answered by the Chamber unless reference was made to individual members and members' replies sorted and classified, for which there was insufficient time.

The Committee doubted if the issue of a comprehensive questionnaire of this nature to a Chamber of Commerce was the right approach to the subject or was likely to elicit useful information, and they suggested that firsthand information of this kind could be better obtained by addressing questionnaires to bodies representing various industries or individual industrial concerns in so far as conditions varied greatly from industry to industry and legislation must be adopted and adapted to cover these differences.

The Committee, however, submitted the following replies which were in very general terms.

I. Administration, Central and Provincial.

(1) Has the existing distribution of legislative and administrative functions between the Centre and the Provinces worked satisfactorily in the field of industrial health ? If not, what are the defects and how should they be remedied ?

(1) Legislation in the field of industrial health had been extensive in the past but it was felt that any general measures of social legislation, including that of industrial health, should be the subject of Central legislation with powers delegated to the Provinces to cater for any special requirements of particular industries.

(2) Should any of the subjects be made solely Central for the purpose of (*a*) legislation and administration, and (*b*) legislation only ?

(2) As far as possible the subject should be Central for the purpose of legislation and administration.

(3) Should any of the subjects be made solely Provincial for the purpose of (*a*) legislation and administration, and (*b*) legislation only ?

(3) No.

(4) What measures do you suggest for co-ordinating the activities of Provincial Governments ?

(4) The answer is contained in (1), (2) and (3) above.

(5) To what extent has devolution of powers and functions relating to industrial health been made by the Provincial Government to local bodies ? What is the measure of control which the Provincial Government exercises over local bodies for co-ordinating their functions and for ensuring efficiency of administration in this field ?

(5) As far as Bombay Province is concerned, the Provincial Government exercises very little, if any, control over local bodies in this field. This query, however, might properly be referred to the Provincial Government.

II. Health Services (Curative and Preventive) provided by Government, Local Bodies, Employers and Other Agencies.

The Committee considered that only individual employers were in a position to answer this series of questions and as pointed out above such information could only be obtained by approaching individual employers individually. The Committee emphasised in this connection that they saw no reason at all for such a short time being allowed for the consideration of a subject such as this and objected strongly to these " short-term " queries on matters of general interest.

III. Environmental Hygiene.

The Committee considered that the answers to these questions must also be given by individual employers. Most of the information was, or should be, at the disposal of the Government factory inspectors.

IV. Nutrition.

Again, replies must be for the individual employer to provide.

V. Planned Regional Zoning of Industry.

These were obviously queries for the Provincial Government to answer.

VI. Prevalence of Drug and Drink Habits among Industrial Workers.

The Committee considered that this was a question for the Provincial Government to answer, but in their view Bombay was certainly not worse than the average town as regards the prevalence of drug and drink habits amongst industrial workers. The attempted prohibition legislation of the last elected Government did not appear to have any beneficial effect on drink habits among industrial workers, but rather the reverse.

VII. Industrial Health Research.

1. The Committee felt that the querists must be in the best position to answer queries as to industrial health research. They were presumably experts in the matter.

2 and 3 were queries for the Provincial Government.

FACTORIES ACT, 1934.

AMENDMENT.

(*See Report* 1934, *page* 74; 1936, *page* 61.)

On the 4th March 1944, a Bill was introduced in the Legislative Assembly which had for its object the amendment of the Factories Act, 1934, for the purpose of (*a*) making more comprehensive the particulars which were required to be sent before commencement of work in a factory, (*b*) providing washing places in all factories, (*c*) provision for the making of rules to provide for " means of escape " ; and (*d*) allowing, for the period of the war, the extension of the evening limit of time up to which women and children might be allowed to work, from 7-30 p.m. to 8-30 p.m.

After consulting the Labour Sub-Committee the Committee informed the European Group in the Central Legislature that in their view clause 2 of the Bill amending section 9 of the Act gave too wide powers to the Factory Inspector who was already provided with all the necessary information. Any further details which were required could be obtained much more easily by visiting the factory than by calling for a lot more information much of which might be irrelevant. If there were any further particulars of a factory which the Inspector required to know,

they should be specified in the Amendment Act rather than leave the whole issue open for Government and Inspectors to demand any information they pleased.

The Bill was passed by both Houses of the Legislature with the addition in clause 2 of the words "for the purposes of this Act" to the words "such other particulars as may be prescribed," and received the assent of the Governor General on the 26th of April 1944 (Act XIV of 1944).

GENERAL.

HANDLOOM INDUSTRY.

All-India Handloom Board.

In May 1944 the Government of Bombay asked for the views of the Chamber on a proposal of the Government of India to form an all-India Handloom Board whose functions would include :—

(*a*) Recommendations to the Government of India as to what proportions of the yarn available from Indian production should be supplied to each Province and State interested in obtaining yarn for handloom weaving.

(*b*) Assistance to handloom weavers through recognised associations or Provincial or State authorities in obtaining dyes, chemicals and stores, etc., at fair rates.

(*c*) Consideration of the best means of marketing Indian handloom products.

(*d*) Directing research measures. This would be, in the main, organising market rather than laboratory researches, and in this regard the Board would no doubt make use of the organisations already in existence in the several Provinces and States. Consideration of measures to improve production would fall naturally within the Board's purview.

(*e*) The Board would assist in the administration of the grant-in-aid from the Government of India.

As regards the constitution of the Board, the tentative view of the Government of India was that some such form as the following might be appropriate.

Representatives of the Provincial Governments and Handloom Industry	15
Representatives of States	4
Representatives of millowning interests and of the yarn trade (to be nominated by the Textile Control Board)	6
	25

It was considered desirable that the very closest contact should be maintained with the Textile Control Board, and for this reason it was suggested that the Textile Commissioner should be appointed Chairman of the Board. An Officer from the Textile Commissioner's office might serve as executive officer of the Board.

The Committee informed the Government of Bombay that they were not prepared to support the proposed formation of an all-India Handloom Board pending publication of the report of

the Fact Finding Committee set up at the commencement of 1941, and after sufficient time for examination of such comments as might be made on the report by commercial bodies interested.

Towards the end of June 1944 the Bombay Millowners' Association informed the Chamber that it was proposed to convene a conference of representatives of the organisations concerned to discuss the question and the Chamber was invited to nominate representatives to attend. The Committee nominated the President, MR. A. L. HUTSON, and MR. R. W. BULLOCK.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

MR. R. SCHERER, the representative of the Associated Chambers of Commerce of India on the Imperial Council of Agricultural Research, attended a meeting of the Governing Body of the Council at New Delhi on the 4th and 5th September under the chairmanship of Sir Jogendra Singh, Member for Education, Health and Lands, and subsequently submitted to the Association the following brief report of what transpired at the meeting :

The main items on the Agenda were :—

The usual recommendations for extending schemes of research already in operation and starting new ones on basis of the proposals made by the Priority Committee and the Standing Finance Committee.

The estimated income from the Produce Cess for the financial year 1944-45 was Rs. 8 lakhs. Apart from this regular income the Government had made special grants for specific purposes, such as the usual Rs. 3 lakhs a year for Sugarcane Research Schemes, Rs. 1 lakh from the Groundnut and Linseed Fund, Rs. 10 lakhs from the Tobacco Cess and Rs. 60,000 for the Provincial Marketing Schemes.

The establishment of two more Commodity Committees, viz., one for rice and the other for fibres, excluding cotton and jute, on the lines of the Indian Central Cotton Committee. This was in accordance with the policy of having separate Commodity Committees for India's main commodities, such as jute, sugar, tobacco, oilseed, etc.

After the disposal of the regular Agenda, various questions in connection with the development of agriculture in India were discussed and particularly also the Memorandum on Agricultural Development in India (also known as the Rs. 1,000 Crores Plan) which had been prepared by the Government of India. Sir Phiroz Kharegat, former Vice-Chairman of the Imperial Council of Agricultural Research, was mainly responsible for it.

It would lead too far to go into the details of this highly interested document. It visualized a systematic development of scientific and up-to-date lines of Agriculture and Animal Husbandry in the Provinces and States with the Centre providing the guidance and co-ordination and in case of need also financial assistance.

At the Centre the Memorandum recommended the creation of a Department of Agriculture that would devote itself entirely to the development of Agriculture and Animal Husbandry—still the most important industry of this country.

The Imperial Council of Agricultural Research would be changed into a Federal or Indian Agricultural Council which would devote itself to Research and Development.

In the Provinces and States, which were primarily responsible for Agriculture, the Plan called for a large extension of existing organisations and the creation of new ones to cope with the gigantic task of doubling the agricultural production within the next 15 years. Such a development should also provide employment for soldiers returning after the war.

The Plan visualized a non-recurring capital investment during the next 15 years of about Rs. 1,000 crores and an annual recurring expenditure of about Rs. 20 crores, whereof about Rs. 2½ crores at the Centre and about Rs. 17½ crores in the Provinces. These figures might seem large at first sight but when compared with the area involved and the estimated increase in the agricultural production, they were not unduly large.

MICA ENQUIRY COMMITTEE.

On the 15th May 1944 the Department of Labour published a resolution in which it was stated that the Government of India had had under consideration the appointment of a Mica Enquiry Committee concerned more with the long-term problems of the industry than with its immediate difficulties. The setting up of the Committee was regarded as essential to the future of the mica industry for the following reasons :—

(i) Recent events had shown that the existing organisation of the mica industry and trade was extremely unsatisfactory and tended to encourage methods and practices that were detrimental to the healthy development of the industry ;

(ii) The existing mining practices were generally so wasteful and primitive that an enquiry by a competent Committee into the best means of conserving this important mineral asset of the country seemed essentially necessary at this stage ;

(iii) The existing methods of marketing left a good deal to be desired, and standardisation of quality would become increasingly urgent in post-war years. It was considered necessary to obtain authoritative advice on these questions so that the industry might be properly organised to face the problems that would arise after the war ; and

(iv) The mica industry in this country would, in all probability, have to face increasing competition from abroad soon after the cessation of hostilities. Such competition might arise from alternative sources of supply as well as from possible substitutes which recent technological advances might eventually produce. It was necessary that these problems of the future should be studied in advance by a competent authority.

The Government of India accordingly decided to appoint a Committee to enquire into all problems relating to the consolidation and development of the industry including the following :—

(i) Immediate problems relating to the Mica Control Order 1940 both in regard to war production and to the effect of the Order on long-term policy and the review of any orders that may have been passed by Government in connection with that Order;

(ii) The present system of marketing—both inland and abroad ;

(iii) Standardisation of quality ;

(iv) The extent to which alternative sources of supply may have jeopardised or are likely to jeopardise the position of this country as the principal supplier of muscovite mica and the extent to which other materials that may be used as substitutes for mica, may have displaced or are likely to displace mica from its uses in the industry ;

(v) Increased utilisation of mica in this country for the manufacture of finished goods ;

(vi) Research, conservation and development ;

(vii) The desirability of setting up a suitable machinery whether by the appointment of a Central Mica Committee or otherwise to watch the interests of the mica trade and industry ; and

(viii) Any other matter of importance as may be brought to the notice of the Committee.

The Government of India requested the Chamber to suggest the names of two or three business men well acquainted with the internal as well as the external trade of the country. The Committee submitted the name of MR. J. M. B. GIBBONS.

In a resolution dated 23rd October 1944 the Department of Labour announced that the Government of India had decided to constitute the Mica Enquiry Committee as follows :—

Chairman	..	The Hon'ble Mr. Justice D. E. Reuben, I.C.S., of the Patna High Court.
Members	..	Lala Guru Sharan Lall, Gaya (Bihar), and M. Md. Ismail Sahib, Madras.
Secretary	..	Rai Bahadur Rai Hardatta Prasad.

The Committee would be assisted in their investigation by the following assessors and technical advisers who would not be required to sign the report but would have the right to submit their views to the Committee and to be present at all discussions.

Assessors.—Rai Saheb Pradhan Suryavarti Prashad, Inspector of Mica Accounts, Kodarma (representative of Bihar Government) ; Mr. E. Watson, Domchanch and Mr. Chandmall Rajgaria, Giridih (representatives of Bihar Mica Miners and Dealers) ; Mr. S. Y. Krishnaswami, I.C.S. (representative of

Government of Madras); Mr. D. Narayana Reddi, Gudur (representative of Madras Mica Trade); Mr. Ram Kumar Agarwala, Bhilwara (representative of the Rajputana Mica trade); and Mr. Chapan Bhattacharya, Giridih (representative of Mica labour).

Technical Advisers.—Director, Geological Survey of India; and Director, Scientific and Industrial Research, or in his absence, another representative of the Directorate of Scientific and Industrial Research.

The Committee were required to enquire into and report on all problems relating to the mica industry and its present and future development including the following:—

(i) Immediate problems relating to the Mica Control Order, 1940 (both in regard to war production and long-term policy) and the review of any orders that might have been passed by Government in connection with that Order;

(ii) The present system of marketing—both inland and abroad;

(iii) Standardisation of quality;

(iv) The extent to which alternative sources of supply might have jeopardised or were likely to jeopardise the position of this country as the principal supplier of muscovite mica;

(v) The extent to which other materials that might be used as substitutes for mica, might have displaced or were likely to displace mica from its uses in the industry;

(vi) Increased utilisation of mica in this country for the manufacture of finished goods;

(vii) Methods of development with special reference to the following: (*a*) Research, (*b*) Conservation, (*c*) Methods of mining, (*d*) Methods of processing, (*e*) Methods of marketing, (*f*) Methods of meeting competition;

(viii) The desirability of setting up a suitable machinery whether by the appointment of a Central Mica Committee or otherwise to watch the interests of the mica trade and industry; and

(ix) Any other matter of importance as might be brought to the notice of the Committee.

LIABILITY FOR SHORTAGES IN SHIPMENTS FROM KARACHI TO BOMBAY.

In July 1944, in response to an enquiry received from the Government of Bombay in regard to liability for shortage in a consignment of *bajri* shipped from Karachi to Bombay, the Committee, under the assumption that no contract of purchase existed, expressed their view that the shipper was liable for the following reasons:—

In view of the clause appearing in the Bill of Lading which indicated insufficiency of packing and contents incomplete in respect of 203 bags the shipping company in terms of the Carriage of Goods by Sea Act, Article IV, clause 2 (*n*) (which read as under) could admit no liability whatsoever for the loss of contents—

"Neither the Carrier nor the Ship shall be responsible for loss or damage arising or resulting from insufficiency of packing."

The shipper remarked that it was the usual practice for the steamship company to pass remarks in Bills of Lading to avoid responsibility for shortage. This was not so, as shipping companies in general granted receipts in accordance with the actual condition at the time of shipment. In the present instance the remark in the Bill of Lading could not be considered as of a general or sweeping nature as a *definite* number of bags found torn and resewn and slack had been shown in the Bill of Lading and was apparent at the time of shipment. The shipper could have protested had he disagreed with this clause and could have either withdrawn the bags from the shipment or re-bagged the contents in sound bags. By failing to take either of these courses it must be assumed the shipper was well aware of the state of the bags and agreed to the clause inserted by the steamer company for its protection.

PACKING OF GOODS SHIPPED FROM INDIA TO SOUTH AFRICA.

In March 1944 a complaint was received from the Association of Chambers of Commerce of South Africa that goods arriving from India were inadequately packed, with the result that many articles urgently required in South Africa were found to have been damaged in transit causing financial losses to insurance companies and delays for consignees in obtaining settlement of claims. Instances were quoted of cardamom seeds and similar commodities being shipped in single bags allowing dirt and dust to percolate through the covering during handling. Piecegoods became damaged through the same cause. In other instances sea water, fresh water and contact with adjoining cargo were causes of damage. Leather goods were invariably shipped in frail second-hand cases and were so badly packed that the cases were stove in during transit and the contents frequently were damaged by nails intended to hold the cases together.

The Association requested that steps might be taken to get shippers to give greater attention to the packing of goods for shipment to South Africa.

The Committee in reply stated that they fully realized that a good deal of bad packing still took place and that it was only partially due to the scarcity of good packing material. They pointed out, however, that it was not reputable firms who were responsible and the remedy lay in the members of the Association confining themselves to manufacturers and exporters of standing.

The Committee added that bazar commission agents who did a great deal of the Africa trade frequently showed indifference to complaints and had adopted the attitude that African merchants must take it or leave it. This attitude was, however, altering with

the restricted trade due to control. This type of merchant employed unreliable muccadams who had too much work on their hands to enable them to pay proper attention to the work of Customs examination and the repacking of cargo examined in the transit sheds. Their repacking and rebaling was done frequently by inexperienced coolies on piecework basis and, therefore, as quickly as possible, and consequently, inefficiently. As previously stated, the remedy lay with African importers who should only deal with Indian merchants whose goods arrived in good condition and who were of good commercial standing.

The Committee stressed, however, that owing to the Customs regulations here it was necessary that certain packages (in many cases a fairly large percentage of the consignments) had to be opened in the docks for examination before shipment. It was impossible for shippers to repack bales and cases in their original condition owing to the limited time at their disposal after examination, and the inadequate facilities available in the docks for repacking. The Committee understood that in almost all cases Bills of Lading nowadays stated " Case/Bale/Package No. opened for Customs examination and repacked." If the remainder of the consignment was sufficiently packed there should be no complaints on the general ground of inadequate packing. The Committee enquired whether the complaints of importers in South Africa referred only to packages which had been claused in Bills of Lading.

The Committee at the same time addressed the Collector of Customs on the subject and requested him to issue instructions to the Customs examination staff not to damage packages more than was necessary when having them opened for examination.

INTERNATIONAL BUSINESS CONFERENCE IN NEW JERSEY.

In July 1944 the Associated Chambers of Commerce of India informed the Chamber that it was proposed to hold an International Business Conference at Atlantic City, New Jersey, from 10th to 18th November 1944 under the auspices of the American Section of the International Chamber of Commerce, the Chamber of Commerce of the United States, the National Association of Manufacturers and the National Foreign Trade Council. It was intended that representatives of private business organisations from world-wide allied and neutral countries would meet to discuss how domestic well-being of their countries and world economic recovery could be aided through international understanding and co-operation on such matters as maintenance of private enterprise, commercial policy of nations, currency relations among nations, encouragement and protection of invest-

ments, industrialization in new areas, shipping policy, aviation policy, world supplies of materials, cartels and other vital economic problems. The final agenda would be determined from suggestions received from all participating delegations. Attendance from each country including the United States would be limited to maximum of six delegates and as many technical advisers as delegates. The Associated Chambers of Commerce was invited in co-operation with the Federation of Indian Chambers of Commerce and Industry to select and delegate representative business leaders from India to join these discussions. Delegates should preferably be men now actually engaged in private business in India and together would represent its varied private commercial and industrial interests. Advisers might be experts already in the United States or neighbouring countries. The United States Government would co-operate by the allocation of ship space from Bombay to the United States and the return for representatives after their certification by the American Consulate but they must arrange and pay transportation and if travelling by air secure any needed air priorities.

The President of the Associated Chambers asked for the views of this Chamber on the general question whether the Association should arrange for participation on the part of delegates and advisers selected from among the business interests which the Association represented.

The Committee in reply stated that they were of opinion that it was distinctly desirable that the Associated Chambers should be represented at this conference as matters for discussion were not only of considerable importance, but the outcome of any agreement reached must have repercussions on trade with India.

It was particularly essential that at least a representative of the Associated Chambers should be present in order that he could report at first hand what took place.

The Committee, however, regretted their inability to suggest any names from Bombay, but trusted that suitable representatives would be forthcoming from the Bengal or other constituent Chambers. No nomination was, however, made.

ATTORNEY'S FEES.

In October 1944 in response to an enquiry from the Prothonotary and Senior Master, His Majesty's High Court, Bombay, the Committee stated that they had no objection to sanction being given, as a war measure, to an increase by way of surcharge of 33⅓ per cent. over the profit costs at present chargeable by attorneys.

HOLIDAY FOR HALF-YEARLY CLOSING OF BANKS' ACCOUNTS.

(*See Reports*, 1924, *Volume I*, *page* 320 ; 1941, *page* 49 ; 1942, *page* 170 ; 1943, *page* 143.)

In March 1944, the Government of Bombay, under section 25 of the Negotiable Instruments Act, declared Saturday, 1st July 1944, to be a public holiday in the city of Bombay to enable banks to make up their half-yearly accounts.

DELAYS IN PUBLICATION OF LISTS OF PUBLIC HOLIDAYS.

(*See Report* 1938, *page* 214.)

The Committee received several complaints from members and others in regard to the delay that took place in the notification of the list of public holidays to be observed during the year 1945. The question of such delays had been the subject of correspondence and telephonic conversations between the Chamber and the Government of Bombay on previous occasions. In their letter No. P.13.B of the 7th February 1938, the Political and Reforms Department informed the Chamber that there would be no delay in respect of the declaration of the holidays in October every year. During the past five years, however, Government had been progressively late in issuing the lists and it was not until the 23rd November 1944 that the list of holidays to be observed in 1945 was published. In addressing the Political and Services Department of the Government of Bombay in the matter on the 21st December 1944, the Committee requested Government to arrange for the earlier notification of the list in future as considerable inconvenience was caused to the commercial community by its late publication. In this connection it was mentioned that the Government of Bengal had published their list of holidays to be observed in 1945 in that Province on the 16th September 1944 and the Government of Madras on the 9th October 1944.

Another matter to which the Committee drew the attention of Government was the fixing of a separate date for the *Samvatsari* Jain holiday. The Special Holidays Committee appointed by Government in 1912 and presided over by the Chairman of this Chamber, unanimously recommended that this holiday should be bracketed with the Hindu holiday *Ganesh Chaturthi* and that the day chosen for this joint holiday should be the actual holiday of *Ganesh Chaturthi*. This recommendation was accepted by Government and up to 1932, if the Jain festival fell on a separate day to that of *Ganesh Chaturthi* (which it was reckoned would happen about once in twelve years), Government gave it as a sectional holiday for their staff. In 1933 and 1934

separate holidays were declared for the two festivals. From then on till 1942 the two holidays were bracketed. For 1943, 1944 and again for 1945 Government declared two separate holidays.

In the resolution issued by the Government of Bombay in November 1912 on the Report of the Special Holidays Committee Government had stated that "at Pajusan the Jains entirely suspend their own business for a whole week, but public business, trade, commerce and banking are scarcely affected, and it makes no difference to the Jains whether one day or no day is recognised as a Bank holiday."

When in February 1942 the Government of Bombay reduced the number of holidays notified from 28 to 19 they stated that the decision had been taken in the interests of production of war supplies, which it was emphasised was important at the present moment and every extra day's production throughout the country would make a substantial contribution to the war effort. In view of this declared policy of Government the Committee stated that they were unable to reconcile Government's action in declaring a separate day for the *Samvatsari* holiday.

DEPARTMENT OF SUPPLY.

Form of Invitation to Tender.

(*See Report* 1943, *page* 142.)

Towards the end of February 1944 it was brought to the notice of the Committee by a member that the following note had been attached to the Department of Supply's Form W.S.B. 132.

Note.

(1) Tenderers must submit their quotations on the prescribed Tender Form only.

(2) Tenderers must give full details of the stores offered and submit tender samples or otherwise quote some catalogue reference.

(3) Tenderers must quote only for stores and quantities held by them in their own stocks, Offers from firms stating "ex-bazar stocks," "subject to prior sale," and "subject to confirmation," etc., etc., will not be considered.

} Tenders which do not satisfy these conditions will be ignored.

In addressing the Government of India on the subject, the Committee pointed out that many importing firms found it necessary to tender "subject to conditions of sale," "war contingency clauses" and "prices subject to confirmation." It was obvious that certain goods must be offered subject to prior sale and where tenders were based on prices received from the United Kingdom, such prices must invariably be subject to confirmation at the time of placing the order.

The Committee, therefore, suggested to the Department of Supply that either this Note should be suitably amended or

confirmation should be forthcoming from the Department that when such conditions were properly explained by a covering letter the tenders concerned would not be ignored.

The Government of India submitted the following views on the points raised :—

Note 1.—A firm's tender constituted an important legal document of contract and, therefore, such a tender should be submitted by the firm in the special printed form provided for the purpose. In urgent cases, quotations could be furnished by letter or telegram, but tender forms must be completed in due course.

Note 2.—It was necessary for firms while tendering to give full details of stores offered, and in cases where such details did not tally with the specific advices of stores required by Government samples also must be furnished. This was in conformity with the usual commercial practice.

Note 3.—The phrase " Ex-bazar stocks " in a tender indicated that the contractor who tendered had no stocks in hand and presumably that he had only a casual interest in the stores for which he tendered. " Subject to previous sale " was another phrase used by the contractors and caused a great deal of inconvenience to Government, in cases where stores were urgently required, if it was found that after settling the contract, the stores had been sold out. But, in exceptional cases, such tenders were also considered by Government and the firms were addressed by telegram before the formal orders were placed, as to whether the goods were still available. The phrase " subject to confirmation " retarded quick purchase action in cases where ex-stock deliveries or competitive tenders were called for, and it was not possible to wait for confirmation from manufacturers abroad. Tenderers who submitted such qualified tenders did so at their own risk, as the department would, for the reasons already mentioned above, generally ignore such tenders. There might, of course, be exceptions.

It was added that as a rule Government did not accept quotations based on " Firms' conditions of sale " and " War contingency clauses," but whenever possible, such quotations were considered on their merits.

IMPORTATION OF GLASS CONTAINERS FROM THE UNITED KINGDOM.

In November 1944 the Associated Chambers of Commerce of India requested the Chamber to submit its views to the Additional Controller of Civil Supplies (Distribution) on a proposal which was under consideration to import glass containers from

the United Kingdom. The Additional Controller stated that it had been represented that owing to the stringency of the coal situation and the allocation of a large portion of the production of glass factories for Defence purposes, there was a considerable demand for the import of glass bottles especially from drug manufacturers. It had also been represented that there was considerable profiteering by manufacturers and owing to the great variety of bottles manufactured it had not yet been possible to control the prices effectively with the result that superior glass bottles could be imported from the United Kingdom at a net cost considerably lower than that of inferior bottles manufactured in India.

In addressing the Additional Controller in the matter the Committee stated that there was no doubt at all that all types of Indian-made bottles were in extremely short supply. Pharmaceutical members of this Chamber stated that they had great difficulty in obtaining deliveries, and orders were often kept pending by manufacturers for months on end. In one case the position was so bad in July/August 1944 that the output of their factory was very materially affected.

The Committee therefore recommended that licences should be granted for the import of glass containers from the United Kingdom, but at the same time they pointed out that many of the firms now packing pharmaceutical preparations had only done so since the war. In consequence, they had no quotas for bottles and any increase in quota licences would be of little value to them. Any additional imports that were allowed should therefore be based on special application and actual requirements and should not be given in the way of increased percentages to quota holders only.

INDUSTRIAL RESEARCH.

(*See Reports*, 1940, *page* 187; 1941, *page* 169; 1942, *page* 171; 1943, *page* 140.)

In March 1944 the Secretary of the Council of Scientific and Industrial Research, University Buildings, Delhi, forwarded to the Chamber a copy of a non-technical note on the process of manufacture of Calcium Gluconate prepared under the auspices of the Council. The note was placed at the disposal of members of the Chamber.

BOMBAY RED CROSS WEEK, 1944.

(*See Report* 1943, *page* 146.)

The Bombay Red Cross Week was held from 30th January to 5th February 1944. An appeal was again made to all members of the Chamber for contributions to the Indian Red Cross funds and it is understood that a generous response was forthcoming.

WEATHER WORKING DAYS.

The following days during the monsoon months of 1944 were declared to be half or non-weather working days for vessels in the Docks :—

Wednesday,	5th July 1944	..	Half weather working day.
Monday,	10th July 1944	..	Non-weather working day.
Tuesday,	11th July 1944	..	Non-weather working day.
Wednesday,	12th July 1944	..	Non-weather working day.
Thursday,	13th July 1944	..	Non-weather working day.
Thursday,	27th July 1944	..	Half weather working day.
Monday,	31st July 1944	..	Non-weather working day.
Tuesday,	1st August 1944	..	Non-weather working day.
Thursday,	17th August 1944	..	Non-weather working day.

The Deputy Conservator of the Port, in consultation with the Harbour Master and a representative of the Chamber, decided that the following days were half or non-weather working days for vessels working in the stream :—

Wednesday,	5th July 1944	..	Half weather working day.
Monday,	10th July 1944	..	Non-weather working day.
Tuesday,	11th July 1944	..	Non-weather working day.
Wednesday,	12th July 1944	..	Non-weather working day.
Thursday,	13th July 1944	..	Non-weather working day.
Thursday,	27th July 1944	..	Half weather working day.
Monday,	31st July 1944	..	Non-weather working day.
Tuesday,	1st August 1944	..	Non-weather working day.
Thursday,	17th August 1944	..	Non-weather working day.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1944.

CENTRAL LEGISLATURE.

I. Central Excises and Salt.
II. Coffee Market Expansion (Amendment).
III. Coal Mines Safety (Stowing) (Amendment).
IV. Indian Companies (Amendment).
V. Indian Aircraft (Amendment).
VI. Transfer of Property (Amendment).
VII. Insurance (Amendment).
IX. Indian Merchant Shipping (Amendment).
— Indian Finance.
X. Indian Coconut Committee.
XI. Indian Income-tax (Amendment).
XIII. Protective Duties Continuation.
XIV. Factories (Amendment).
XV. Indian Patents and Designs (Temporary Amendment).
XVI. Coffee Market Expansion (Second Amendment).
XVIII. Public Debt (Central Government).

BOMBAY PROVINCIAL LEGISLATURE.

I. Bombay Legislature Members (Removal of Disqualifications) (Amendment) Act.
III. Bombay Land Improvement Schemes (Amendment).
IV. Bombay Finance (Amendment).
V. Bombay Rent Restriction (Amendment).
VI. Bombay Non-Urban Labour Housing, Sanitation and Provision Shops.
VII. Bombay Rents, Hotel Rates and Lodging House Rates (Control).
VIII. Bombay Growth of Foodcrops.
IX. City of Bombay Municipal Corporation (Extension of Term) (Amendment).
XII. Bombay Irrigated Crop Regulation.
XIII. City of Bombay Municipal (Post-war Reconstruction Fund).
XIV. Bombay Rent Restriction (Second Amendment).
XV. Bombay Rents, Hotel Rates and Lodging House Rates (Control) (Amendment).
XVI. Bombay Growth of Foodcrops (Amendment).
XVIII. City of Bombay (Building Works Restriction).
XIX. Bombay Increase of Stamp Duties (Amendment).

CHAMBER'S ACCOUNTS.

In presenting the Chamber's accounts for the year 1944 the Committee report that after making provision for taxation there was an excess of income over expenditure of Rs. 5,446-7-7.

Compared with the previous year the receipts from membership subscriptions showed an increase of Rs. 4,560. Measurement fees, however, dropped by Rs. 18,477 and fees from certificates of origin by Rs. 5,994. The total expenditure for the year showed a decrease of Rs. 16,498-3-6.

C. P. BRAMBLE,
President.

L. P. S. BOURNE,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, 22*nd February*, 1945.

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Balance Sheet as at 31st December, 1944.

LIABILITIES.			ASSETS.			
Outstanding Bills—			Office Furniture—			
Sundry Creditors		7,242 15 0	Estimated value as on 31st December 1928 less sales to 31st December 1935		7,525 0 0	
Naval Authorities Assisted Telegrams Payment due as per contra		960 0 0	Additions at cost—			
Advance Receipts		1,158 0 0	In previous years		8,553 13 0	
Reserve for passages		3,078 2 6			16,078 13 0	
Reserve for Taxation—			*Less*—Depreciation—			
As per last Balance Sheet being provision for Assessment 1944-45 ..	10,000 0 0		In previous years	14,445 2 0		
Add—			In this year	334 4 0	14,779 6 0	1,299 7 0
Reserved out of 1944 Income ..	1,500 0 0		Measurement Furniture—			
	11,500 0 0		At cost		402 8 0	
Less—			*Less*—Depreciation—			
Deducted at source	2,801 10 8	8,698 5 4	In previous years	253 8 0		
			In this year	72 2 0	325 10 0	76 14 0
Reserve for Depreciation of Investments—			Measurement Department Chowkies—			
As per last Balance Sheet		10,162 8 0	At cost		3,888 1 0	
Accumulated Funds—			*Less*—Depreciation—			
As per last Balance Sheet	3,57,719 5 7		In previous years	2,468 11 0		
Add—Excess of Income over Expenditure (as per annexed Account)..	5,446 7 7		In this year	567 12 0	3,036 7 0	851 10 0
		3,63,165 13 2				

		Investments—			
		At cost			3,41,478 7 0
		(Market Value Rs. 3,47,942-3-0).			
		Advances and Deposits—			
		Due from the National Service Advisory Committee (since recovered)	304 8 0		
		Due from the Government of India, and others in respect of the cost of telegrams (since recovered Rs. 134-7-0)	253 1 0		
		Refund of Insurance and Property Tax (since recovered Re. 0-11-0)	32 5 0		
		Deposit with the Government of India, Publication Branch	160 0 0		
		Deposit with the Central Telegraph Office, Bombay ..	200 0 0		
		Excess Profits Tax Deposit	4,894 0 0		
		Income and Corporation Tax	13,807 0 0		
					19,590 14 0
		Naval Authorities Assisted Telegrams—			
		Collection Account—Cash in hand per contra			960 0 0
		Cash and other balances—			
		In hand	165 9 9		
		With the Imperial Bank of India in Current Account .	30,047 14 3		
					30,213 8 0
Rs.	3,94,465 1 0			Rs.	3,94,465 12 0

C. P. BRAMBLE,
President.

L. P. S. BOURNE,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, *22nd February*, 1945.

THE BOMBAY CHAMBER OF COMMERCE.

(Incorporated under the Indian Companies Act, 1913.)

Dr. *Income and Expenditure Account for the year ended 31st December 1944.* *Cr.*

EXPENDITURE.					INCOME.			
To—					By—			
Subscriptions—								
Federation of Chambers of Commerce of the British Empire ..	29	3	0		Members' Subscriptions ..			73,920 0 0
Associated Chambers of Commerce of India	640	0	0		*Statistical Department—*			
				669 3 0	Returns..	12,065	8 0	
Chamber Office.					Special Returns ..	4,305	0 0	
Salaries and Dearness Allowances ..	71,253	11	0		Sundries..	368	4 0	
Rent	7,660	0	0					16,738 12 0
Printing Miscellaneous Papers, Annual Report for 1943, etc.	4,721	6	0		*Measurement Department—*			
Advertisements	49	8	0		Measurement Fees ..	1,22,533	6 6	
Books and Periodicals	583	13	0		Weighment and Sampling Fees	4,841	9 6	
Stationery	1,110	15	0		Sundries	1,315	0 0	
General Charges..	2,894	5	2					1,28,690 0 0
Telephone	634	9	0		*Arbitration and Certificates—*			
Insurance—					Arbitrations	40	0 0	
Fire	14	1	0		Certificates :			
Cash in Transit	117	15	0		Origin	8,604	0 0	
Employer's Indemnity	174	3	0		Refraction	750	0 0	
Contribution to the Provident Fund ..	5,331	6	8					9,394 0 0
Audit Fee	250	0	0		*Sundries*			275 1 0
Motor Car Upkeep	2,329	11	0		*Interest on Investments—*			
Replacements to Car	298	12	0		Taxed at source ..			10,243 12 0
Furniture Depreciation	334	4	0					
Bonus to Staff	2,651	2	0		*Citizens' Emergency Relief Fund* 1944—			
				1,00,409 9 10	Donations received from members	73,907	4 3	
Statistical Department.					*Less—*			
Salaries and Dearness Allowances ..	26,611	8	0		Paid to the Hony., Treasurers, Citizens' Emergency Relief Fund.	73,907	4 3	....
Do. do. do. Typists	6,429	0	0					
Cyclostyling	2,293	3	0					
Printing	549	0	0					
Contribution to the Railways	1,556	7	0					
Books and Periodicals	12	4	0					
Stationery	135	8	0					
Petty Charges	685	1	6					
Contribution to the Provident Fund ..	2,285	2	8					
Bonus to Staff	1,097	3	0					
				41,654 5 2				
Measurement Department.								
Salaries and Dearness Allowances ..	76,162	6	8					
Printing	263	0	0					
Stationery	474	6	0					
Telephone	373	5	0					
Bonus to Staff	2,593	13	0					
Petty Charges	1,547	4	9					
Labour and Hire of Scales	27	8	0					
Furniture Depreciation	639	14	0					
Contribution to the Provident Fund ..	5,325	8	0					
Pensions	120	0	0					
				87,527 1 5				
Travelling Expenses	63	4	0					
Passages	1,000	0	0					
				1,063 4 0				
Replacements of Assets, and Reimbursement of personal losses of staff due to explosion at the Docks ..	11,047	10	0					
Less—Claims recovered	10,056	0	0					
				991 10 0				
Reserve for Taxation				1,500 0 0				
				2,33,815 1 5				
Balance, being excess of Income over Expenditure, transferred to Accumulated Funds				5,446 7 7				
			Rs.	2,39,261 9 0			Rs.	2,39,261 9 0

REPORT OF THE AUDITORS TO THE MEMBERS.

We have audited the foregoing Balance Sheet of the BOMBAY CHAMBER OF COMMERCE as at the 31st day of December 1944, and also the foregoing Income and Expenditure Account for the year ended upon that date, and report that—

(a) we have obtained all the information and explanations which we have required;

(b) in our opinion, the foregoing Balance Sheet and Income and Expenditure Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information and the explanations given to us and as shown by the books of the Chamber, and

(d) in our opinion, books of account have been kept by the Chamber as required by Section 130 of the Indian Companies Act, 1913.

SHARP & TANNAN,
Chartered Accountants,
Registered Accountants,
Auditors.

BOMBAY, 22*nd February*, 1945.

C. P. BRAMBLE.
President.

L. P. S. BOURNE,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

Statement of Accounts from 1st January to 31st December 1944.

Members' Accounts				
Balance brought forward				4,34,349 11 9
Add—				
Subscriptions received from members		12,942 1 4		
Contributions paid by the Chamber		12,942 1 4		
Non-repayable withdrawals recovered		456 10 0		
Interest received and accrued		12,931 5 1		
			39,272 1 9	
			4,73,621 13 6	
Deduct—				
Paid to members (inclusive of interest)		70,246 3 4		
Non-repayable withdrawals (Rule 28 (4))		366 0 0		
Transferred to Lapses and Forfeitures Account		981 3 10		
			71,593 7 2	
Balance at Credit of Members				4,02,028 6 4
Lapses and Forfeitures Account—				
Balance brought forward	13,827 0 3			
Forfeited during the year	981 3 10			
		14,808 4 1		
Add—Profit on sale of Investments		68 2 6		
			14,876 6 7	
			4,16,904 12 11	

Held thus—

	Face Value.	Market value on 31st December 1944.	Cost Price.
2½ % Loan 1948-52 Stock	15,000	14,943 12 0	14,894 8 6
3 % Defence Bonds 1946 Stock	50,000	51,281 4 0	50,000 0 0
3 % Loan 1949-52 Stock	21,000	21,354 6 0	21,000 0 0
3 % „ 1951-54 „	72,500	73,270 5 0	72,168 12 0
3 % „ 1953-55 „	18,000	18,112 8 0	18,000 0 0
3 % „ 1963-65 „	1,33,000	1,31,753 2 0	1,30,611 9 0
3½ % „ 1947-50 „	27,300	28,426 2 0	26,914 8 0
4 % „ 1960-70 „	61,500	69,495 0 0	60,386 2 0
3 % „ Victory Loan 1957 Stock	8,000	7,990 0 0	8,000 0 0
	4,06,300	4,16,626 7 0	4,01,975 7 6
Less—Appreciation at this date		14,650 15 6	
		4,01,975 7 6	

Interest accrued on investments and loans		3,051 8 0
Due by members (since received Rs. 25)		550 0 0
Cash with the Imperial Bank of India, in current account		11,327 13 5
	Rs.	4,16,904 12 11

Examined and found correct,

SHARP & TANNAN,
Chartered Accountants,
Registered Accountants,
Auditors.

C. P. BRAMBLE,
President.

L. P. S. BOURNE,
Member of Committee.

C. H. COURTHOPE-MUNROE,
Secretary.

BOMBAY, 22nd February, 1945.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1944

CORRESPONDENCE, DOCUMENTS
AND STATISTICS

THE INDIAN FINANCE ACT 1944.

An Act to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1944.

Whereas it is expedient to fix the duty on salt manufactured in, or imported by land into, British India, to fix maximum rates of postage under the Indian Post Office Act, 1898 (VI of 1898), to continue for a further period of one year the additional duties of customs imposed by section 6 of the Indian Finance Act, 1942 (XII of 1942), and to increase certain of those duties, to alter the duty of excise on tobacco and to impose duties of excise on betel-nuts, coffee and tea, to fix rates of income-tax and super-tax, and to continue the charge and levy of excess profits tax and make certain additional provisions relating thereto ;

It is hereby enacted as follows :—

1. *Short title and extent.*—(1) This Act may be called the Indian Finance Act, 1944.

(2) It extends to the whole of British India.

2. *Fixation of salt duty.*—The duty on salt manufactured in, or imported by land into, British India shall, for the year beginning on the 1st day of April, 1944, be at the rate of one rupee and nine annas per standard maund.

3. *Inland postage rates.*—For the year beginning on the 1st day of April, 1944, the Schedule contained in Schedule I to the Indian Finance Act, 1943 (VIII of 1943), shall again be inserted in the Indian Post Office Act, 1898 (VI of 1898), as the First Schedule to that Act.

4. *Continuation of, and enhancement of, additional duties of customs imposed by section 6, Act XII of 1942.*—(1) The additional duties of customs on certain goods chargeable with a duty of customs under the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), or under the said Schedule read with any notification of the Central Government for the time being in force, imposed up to the 31st day of March, 1943, by section 6 of the Indian Finance Act, 1942 (XII of 1942), and continued up to the 31st day of March, 1944, by section 4 of the Indian Finance Act, 1943 (VIII of 1943), shall continue to be levied and collected as provided in section 6 of the Indian Finance Act, 1942 (XII of 1942), up to the 31st day of March, 1945, subject to the modification contained in sub-section (2).

(2) The additional duty to be levied and collected under the foregoing sub-section shall be one-half instead of one-fifth of the amount of the duty of customs specified in the First

Schedule to the Indian Tariff Act, 1934 (XXXII of 1934), in the case of the following goods, namely :—

(*a*) spirits, comprised in Item No. 22 (4) and in Item No. 22 (5) of the said Schedule ;

(*b*) tobacco, comprised in Item No. 24 and in Item No. 24 (3) of the said Schedule ;

(*c*) cigars, comprised in Item No. 24 (1) of the said Schedule ;

(*d*) cigarettes, comprised in Item No. 24 (2) of the said Schedule.

5. *Alteration of excise duties on tobacco and imposition of excise duties on betel-nuts, coffee and tea.*—The amendments set out in Part I and Part II of the First Schedule shall be made respectively in the First and Second Schedules to the Central Excises and Salt Act, 1944 (I of 1944).

6. *Income-tax and super-tax.*—(1) Subject to the provisions of sub-sections (2), (3) and (5),—

(*a*) income-tax for the year beginning on the 1st day of April, 1944, shall be charged at the rates specified in Part I of the Second Schedule increased in each case by a surcharge for the purposes of the Central Government at the rate specified therein in respect of each such rate of income-tax, and

(*b*) rates of super-tax for the year beginning on the 1st day of April, 1944, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (XI of 1922), be those specified in Part II of the Second Schedule increased in the cases to which paragraphs A, B and C of that Part apply by a surcharge for the purposes of the Central Government at the rate specified therein in respect of each such rate of super-tax.

(2) In making any assessment for the year ending on the 31st day of March, 1945,—

(*a*) where the total income of an assessee, not being a company, includes any income chargeable under the head " Salaries " or under the head " Interest on Securities " or any income from dividends in respect of which he is deemed under section 49B of the Indian Income-tax Act, 1922 (XI of 1922), to have paid income-tax imposed in British India, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Indian Finance Act, 1943 (VIII of 1943), on his total income the same proportion as the amount of such inclusions bears to his total income ;

(*b*) where the total income of an assessee, not being a company, includes any income chargeable under the head " Salaries " on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Indian Income-tax Act, 1922 (XI of 1922), the super-tax payable by the assessee on that portion of his total income which consists of such inclusions shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Indian Finance Act, 1943 (VIII of 1943), on his total income the same proportion as the amount of such inclusions bears to his total income.

(3) In making any assessment for the year ending on the 31st day of March, 1944, or the year ending on the 31st day of March, 1945,—

(*a*) where the total income of a company includes any profits and gains from life insurance business the super-tax payable by the company on that part of its total income which consists of such inclusion shall be in the case of an assessment for the first mentioned year at the rate of one anna and one pie in the rupee and in the case of an assessment for the second mentioned year at the rate of nine pies in the rupee ;

(*b*) where the total income of an assessee, not being a company, includes any profits and gains from life insurance business the income-tax and super-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of such taxes payable according to the rates applicable under the operation of the Indian Finance Act, 1942 (XII of 1942), on his total income the same proportion as the amount of such inclusion bears to his total income, so, however, that if the aggregate of the taxes so computed in respect of such inclusion exceeds the aggregate of the taxes on the same income payable by a company under the operation of the Indian Finance Act, 1942 (XII of 1942), the taxes payable on such inclusion shall be computed at the rates applicable to a company under the operation of the said Act.

(4) Where any assessment for the year ending on the 31st day of March, 1944, to which clause (*a*) or (*b*) of sub-section (3) is applicable has been completed at the rates of tax in operation under the Indian Finance Act, 1943 (VIII of 1943), it shall be revised by the Income-tax Officer in accordance with the provisions of clause (*a*) or (*b*), as the case may be of sub-section (3) and the excess tax paid, if any, shall be refunded.

(5) In cases to which section 17 of the Indian Income-tax Act, 1922 (XI of 1922), applies, the tax chargeable shall be determined as provided in that section but with reference to the

rates imposed by sub-section (1) of this section, and in accordance with the provisions of sub-sections (2) and (3) of this section where applicable.

(6) For the purposes of this section and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922 (XI of 1922).

(7) Where the total income of an assessee referred to in paragraph A of Part I of the Second Schedule does not exceed six thousand rupees, an amount representing one rupee for every complete unit of two hundred rupees of his total income as reduced by the income, if any, exempt from tax under any provision of the Indian Income-tax Act, 1922 (XI of 1922), or any notification issued thereunder shall be funded for the assessee's benefit and shall be paid to him on such date, not more than twelve months after the termination of the present hostilities, as the Central Government may fix.

Explanation.—In computing the amount to be funded under this sub-section if there is an incomplete unit amounting to one hundred rupees or more it shall be reckoned as a complete unit of two hundred rupees.

(8) The provisions of section 23A of the Indian Income-tax Act, 1922 (XI of 1922), shall not apply in respect of profits and gains of the previous year for the assessment for the year ending on the 31st day of March, 1945.

7. *Continuance of and rate of excess profit tax.*—(1) In sub-clause (*a*) of clause (6) of section 2 of the Excess Profits Tax Act, 1940 (XV of 1940), for the words and figures "31st day of March 1944," the words and figures "31st day of March, 1945," shall be substituted.

(2) The excess profits tax imposed by section 4 of the Excess Profits Tax Act, 1940 (XV of 1940), shall, in respect of any chargeable accounting period beginning after the 31st day of March, 1944, be an amount equal to sixty-six and two-thirds per cent. of the amount by which the profits of the business during that chargeable accounting period exceed the standard profits.

8. *Further provisions respecting excess profits tax.*—(1) In sub-rule (1) of rule 2 of the Second Schedule to the Excess Profits Tax Act, 1940 (XV of 1940),—

(*a*) for the words "and in particular any debt for income-tax or super-tax or for excess profits tax in respect of the business shall be deducted" the following shall be substituted, namely :—

"and in particular there shall be deducted any debts incurred in respect of the business for income-tax or super-tax or excess

profits tax, or for advance payments due under any provision of the Indian Income-tax Act, 1922 (XI of 1922), or for any further sum payable in relation to excess profits tax under section 2 of the Excess Profits Tax Ordinance, 1943 (XVI of 1943)";

(*b*) after clause (*b*) of the proviso the following clauses shall be inserted, namely :—

"(*c*) in the case of any advance payment due under any provision of the Indian Income-tax Act, 1922 (XI of 1922), on the date on which, under the provisions of that section, the payment first became due ;

(*d*) in the case of any further sum payable in relation to excess profits tax under section 2 of the Excess Profits Tax Ordinance, 1943 (XVI of 1943), on the date on which, under the provisions of that section, the further sum became payable."

(2) To sub-section (1) of section 10 of the Indian Finance Act, 1942 (XII of 1942), the following proviso shall be added, namely :—

"Provided further that in respect of chargeable accounting periods ending after the 31st day of December, 1943, the amount repayable under this sub-section shall, subject to the provisions of the first of the foregoing provisos, be calculated by reference to the amount of the excess profits tax paid, and not by reference to the further amount deposited under this section."

(3) In section 2 of the Excess Profits Tax Ordinance, 1943 (XVI of 1943),—

(*a*) to sub-section (1) the following provisos shall be added, namely :—

"Provided that, in respect of any chargeable accounting period ending after the 31st day of December, 1943, the provisions of this sub-section shall have effect as if, in relation to any person who is a company, for the words 'one-fifth' the words 'nineteen-sixty-fourths' were substituted and as if, in relation to any other person, for the words 'one-fifth' the words 'seventeen-sixty-fourths' were substituted :

Provided further that if, in respect of any chargeable accounting period ending after the 31st day of December, 1943, a person who has deposited a further sum equal to seventeen-sixty-fourths of the excess profits tax payable shows that the amount of the income-tax and super-tax payable in respect of the excess profits arising in such period exceeds fifteen-sixty-fourths of the amount of the excess profits tax payable, so much of the deposit shall be refunded as will secure that the total of the deposit made and the

income-tax and super-tax payable in respect of the excess profits arising in such period does not exceed one-half of the excess profits tax payable" ;

(*b*) after sub-section (1) the following sub-section shall be inserted, namely :—

" (*1A*) In respect of any chargeable accounting period ending after the 31st day of December, 1943, in respect of which a provisional assessment of excess profits tax is made under section 14A of the Excess Profits Tax Act, 1940 (XV of 1940), the person liable to pay such excess profits tax shall deposit in the manner laid down in sub-section (1) a further sum equal to nineteen-sixty-fourths of the amount of the said excess profits tax if such person is a company and seventeen-sixty-fourths of the said amount if such person is not a company ; and the provisions of sub-sections (6) and (7) of the said section 14A shall apply to any payment made under this sub-section as they apply to a payment of excess profits tax" ;

(*c*) in sub-section (4) for the words, brackets and figure " sub-section (1) of this section," where they occur for the first time, the words, brackets, figures and letter " sub-section (1) or (1A) of this section " shall be substituted.

THE FIRST SCHEDULE.

(See section 5.)

Amendments to be made in the Central Excises and Salt Act, 1944 (*I of* 1944).

PART I.

Amendments of First Schedule.

1. For Item No. 9, the following item shall be substituted, namely :—

'9. TOBACCO—

" Tobacco " means any form of tobacco, whether cured or uncured, and whether manufactured or not, and includes the leaf, stalk and stems of the tobacco plant but does not include any part of a tobacco plant while still attached to the earth.

I. Unmanufactured tobacco—		
(1) if flue-cured and intended for—		
(*a*) manufacture into cigarettes containing—		Per lb.
(i) more than 20 per cent. weight of imported tobacco		Three rupees and eight annas.
(ii) 20 per cent. or less than 20 per cent. weight of imported tobacco.		Two rupees and eight annas.

	Per lb.
(iii) no imported tobacco	One rupee.
(*b*) any purpose other than the manufacture of cigarettes or of the products enumerated in (3) (*a*) and (3) (*b*) ..	Three rupees and eight annas.
(2) if other than flue-cured and intended for—	
(*a*) manufacture into cigarettes	Nine annas.
(*b*) any purpose other than the manufacture of cigarettes or of the products enumerated in (3) ~~(*a*) and (3) (*b*)~~ ..	Nine annas.
(3) whether flue-cured or not, if intended for—	
(*a*) manufacture into—	
(i) biris	Nine annas.
(ii) snuff	Nine annas.
(iii) cigars and cheroots	Three annas.
(iv) hookah tobacco	Three annas.
(*b*) sale as chewing tobacco, whether manufactured or merely cured ..	Three annas.
(*c*) agricultural purposes	*Nil.*
(4) Stalks, stems and other refuse of tobacco intended for use in the preparation of any form of manufactured tobacco	One anna.
II. Manufactured tobacco—	
Cigars and cheroots of which the value—	Per hundred.
(i) exceeds Rs. 30 a hundred	Twelve rupees.
(ii) exceeds Rs. 25 a hundred but does not exceed Rs. 30 a hundred	Ten rupees.
(iii) exceeds Rs. 20 a hundred but does not exceed Rs. 25 a hundred	Eight rupees.
(iv) exceeds Rs. 15 a hundred but does not exceed Rs. 20 a hundred	Six rupees.
(v) exceeds Rs. 10 a hundred but does not exceed Rs. 15 a hundred	Four rupees.
(vi) exceeds Rs. 5 a hundred but does not exceed Rs. 10 a hundred	Two rupees.
(vii) exceeds Rs. 2-8 a hundred but does not exceed Rs. 5 a hundred	One rupee.
(viii) exceeds Rs. 1-4 a hundred but does not exceed Rs. 2-8 a hundred	Eight annas.
(ix) exceeds Annas 12 a hundred but does not exceed Rs. 1-4 a hundred ..	Four annas.

2. After item No. 11, the following items shall be added, namely :—

'12. BETEL-NUTS, cured—	
"Betel-nut" means the fruit of the areca-palm (*areca catechu*), whether with or without husk, whether cured or uncured, but does not include the fruit while still attached to the tree	Two annas per lb.

13. COFFEE, cured—

"Coffee" means the seed of the coffee tree (*coffea*), whether with or without husk, whether cured or uncured, but does not include the seed while still attached to the tree .. .. Two annas per lb.

14. TEA—

"Tea" means the commodity known as tea made from the leaves of the plant *Camellia Thea* (*Linn.*) and includes green tea .. Two annas per lb.

PART II.

Amendment of Second Schedule.

In PART A after Item No. 1 (Tobacco) the following shall be added, namely :—

"2. Betel-nuts 3. Coffee	.. ..	When supplied by a curer to a wholesale dealer, whether directly or through a broker or commission agent."

THE SECOND SCHEDULE.

(See section 6.)

PART I.

Rates of Income-tax.

A.—In the case of every individual, Hindu undivided family, unregistered firm and other association of persons not being a case to which paragraph B of this Part applies :—

		Rate.	*Surcharge.*
1.	On the first Rs. 1,500 of total income.	*Nil.*	*Nil.*
2.	On the next Rs. 3,500 of total income.	Nine pies in the rupee.	Six pies in the rupee.
3.	On the next Rs. 5,000 of total income.	One anna and three pies in the rupee.	Ten pies in the rupee.
4.	On the next Rs. 5,000 of total income.	Two annas in the rupee.	One anna and six pies in the rupee.
5.	On the balance of total income.	Two annas and six pies in the rupee.	Two annas in the rupee

Provided that—

(i) no income-tax shall be payable on a total income which does not exceed Rs. 2,000 ;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds Rs. 2,000.

B.—In the case of every company and local authority, and in every case in which under the provisions of the Indian Income-tax Act, 1922, income-tax is to be charged at the maximum rate :—

	Rate.	*Surcharge.*
On the whole of total income.	Two annas and six pies in the rupee.	Two annas in the rupee.

PART II.

Rates of Super-tax.

A.—In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which paragraphs B and C of this Part apply :—

		Rate.	*Surcharge.*
1.	On the first Rs. 25,000 of total income.	*Nil.*	*Nil.*
2.	On the next Rs. 10,000 of total income.	One anna in the rupee.	One anna in the rupee.
3.	On the next Rs. 20,000 of total income.	Two annas in the rupee.	Two annas in the rupee.
4.	On the next Rs. 70,000 of total income.	Three annas in the rupee.	Two annas and six pies in the rupee.
5.	On the next Rs. 75,000 of total income.	Four annas in the rupee.	Three annas in the rupee.
6.	On the next Rs. 1,50,000 of total income.	Five annas in the rupee.	Three annas in the rupee.
7.	On the next Rs. 1,50,000 of total income.	Six annas in the rupee.	Three annas in the rupee.
8.	On the balance of total income.	Seven annas in the rupee.	Three annas and six pies in the rupee.

B.—In the case of every local authority—

	Rate.	*Surcharge.*
On the whole of total income ..	One anna in the rupee.	One anna in the rupee.

C.—In the case of an association of persons being a co-operative society, other than the Sanikatta Saltowners' Society in the Bombay Presidency, for the time being registered under the Co-operative Societies Act, 1912, or under an Act of the Provincial Legislature governing the registration of Co-operative Societies—

		Rate.	*Surcharge.*
1.	On the first Rs. 25,000 of total income.	*Nil.*	*Nil.*
2.	On the balance of total income.	One anna in the rupee.	One anna in the rupee.

D.—In the case of every company—

	Rate.
On the whole of total income	Three annas in the rupee.

Provided that a rebate of one anna in the rupee shall be allowed on the total income as reduced by the amount of any dividend declared in British India in respect of the profits of the previous year for the assessment for the year ending on the 31st day of March, 1945, not being a dividend payable at a fixed rate or a dividend declared on or before the 29th day of February, 1944, by a company to which but for sub-section (8) of section 6 of this Act, section 23A of the Indian Income-tax Act, 1922 (XI of 1922), would be applicable.

THE BUDGET, 1945-46.

Extract from the proceedings of a meeting of the Legislative Assembly held at New Delhi on Wednesday, 28th February, 1945.

Finance Member's Speech.

Last year, when presenting the fifth war budget to this House, I referred to the period through which India had then recently passed as one of economic storm. This year, in presenting the sixth war budget, it is possible to refer to the twelve months which lie behind us as one of relative consolidation and stability in the economic field, in strong contrast to the dramatic events which have been taking place on the field of battle. In Europe, in Asia and in the Pacific the tide has more than turned; the enemy is at bay and who can doubt that 1945, will bring final victory, at least in Europe? These heartening achievements have helped, and abundantly helped, the battle on the economic front also; they are dispelling that fear of an indefinitely prolonged war which contributes to hoarding and to speculation. But important as the psychological consequences of military victories have been, I feel I can legitimately claim that the measures of economic control which were effected in 1943 and which have since been enforced with increasing vigour and determination have also contributed to the result. First and foremost I would put the improvement in the food situation. We are moving forward on three fronts: towards monopolistic government procurement, towards an ever-widening extension of rationing, and now that we have a solid foundation under our feet, towards a wider nutrition policy, which will embrace the protective foods as well as the foodgrains.

2. Secondly, we have made notable progress in our attempt to maintain prices generally on an even keel, to control the distribution of textile goods and to prevent profiteering of all kinds.

The general level of wholesale prices has been subject to fluctuations from time to time according as a more or less optimistic view was taken of the duration of the war, but prices as a whole do not differ markedly from what they were in the spring and summer of 1943, when our anti-inflationary efforts began to be undertaken on a wide front. It is encouraging to note a greater degree of willingness on the part of the public to co-operate with us and to resent the anti-social activities of certain traders in withholding supplies and of others who do not hesitate to offer or accept bribes in the furtherance of their own selfish interests. Our efforts to improve the economic situation have been greatly assisted by the freer flow of imports—of foodgrains, raw materials and finished products. The House is aware of the fact that a Mission has recently gone to London for the purpose of further discussing with His Majesty's Government the possibility of lightening the load which the continuance of the war imposes on the Indian economy.

3. I must again emphasise, as on previous occasions, that though individual measures of the kind that I have referred to are indispensable, yet the keystone of our defences, apart from our taxation and loan programmes, lies in the conscious restriction of expenditure by the mass of individuals. Though certain classes of the population have suffered, and continue to suffer, from the fact that their incomes have not yet become fully adjusted to the higher level of prices, yet large and very important classes of the population are now in receipt of money-incomes very much higher than those which they previously enjoyed. This applies to the industrial population and to the agricultural classes as a whole ; to the traders and to the manufacturers. The consumers goods for which they crave are not yet available and, except in so far as the additional incomes which have been generated by the war are amenable to taxation, the only possibilities are abstention from expenditure and lending to Government. Naturally, at the present time, the latter is the more completely satisfactory solution ; not only does such lending greatly assist Government in its anti-inflationary campaign, but it marks a break with the age-old tradition of hoarding, which may well be an even greater obstacle to the rapid progress of India than many of the factors which are more frequently mentioned.

FINANCIAL YEAR, 1943-44.

4. I will first, as is customary, give briefly the results of the last financial year. In our revised estimates we expected to end the year with a deficit of Rs. 92.43 crores. The actual deficit turned out to be Rs. 189.79 crores. Defence expenditure exceeded estimates by about Rs. 96 crores. This was due partly to the fact that much of the fighting against the Japanese took place within, instead of wholly outside, India's frontiers and partly to an

unexpectedly heavy adjustment in the accounts of the year in respect of vehicles utilised for the initial equipment and maintenance of India's local defence forces. There was also a deterioration of about Rs. 9 crores under Taxes on Income which was offset by an increased contribution from Railways and larger receipts under Excise.

Financial Year, 1944-45.

Revenue.

5. Coming to the current year, the total revenue receipts are now expected to be Rs. 356.88 crores, an improvement of Rs. 48.60 crores over the budget estimates.

Customs receipts are expected to improve by Rs. 12 crores as a result of larger imports made possible by the general easing of the shipping position. Of this amount, Rs. 2¾ crores are accounted for by the import of locomotives and wagons. Under Central Excises, however, there is a shortfall of some Rs. 2 crores, mainly under tobacco, caused by transport difficulties and by reduced cultivation as a result of the drive in favour of food crops.

6. Taxes on income were expected to yield Rs. 182.5 crores, Rs. 78 crores from excess profits tax and Rs. 104.5 crores from other taxes on income. The progress of regular E.P.T. assessments has been stepped up so that we now expect collections under this head to reach Rs. 110 crores. There is, however, likely to be a fall of Rs. 4½ crores under other taxes on income, which are expected to yield Rs. 100 crores. This figure excludes the collections of approximately Rs. 60 crores under the "Pay-as-you-earn" scheme which are treated for accounting purposes as deposits pending completion of the regular assessments. The divisible pool of income-tax has been taken at Rs. 61.13 crores and the share of the Provinces at Rs. 26.56 crores (including Rs. 49 lakhs on account of the previous year's arrears), or Rs. 2.87 crores more than the budget figure.

7. An improvement of Rs. 2.56 crores is anticipated under Currency and Mint due mainly to Government's share of the surplus profits of the Reserve Bank increasing from Rs. 7.50 crores to Rs. 10.07 crores.

The estimates also include Rs. 10.27 crores proposed to be transferred from the two War Risks Insurance Funds to cover the estimated payments this year under the Bombay Explosion (Compensation) Scheme.

The revenue of the Posts and Telegraphs Department is now estimated at Rs. 28.78 crores, that is, Rs. 86 lakhs more than the budget figure. Expenditure is placed at Rs. 19.46 crores, an increase of Rs. 2.85 crores. The anticipated surplus of Rs. 9.32 crores will accrue to general revenues.

For reasons already made known to the House, it has been decided to stabilise the contribution from Railways to general revenues at Rs. 32 crores for the current and ensuing years.

Expenditure.

8. *Defence Services.*—Turning to expenditure I begin, as usual, with the defence services. The past year has witnessed a succession of major triumphs for the Allied cause. On the Western front the years of intense effort and patient preparation at last bore fruit and the liberation of France was effected with a dramatic suddenness equal to that of its fall, four years earlier. The Allied forces in this theatre are now fighting on the borders of, and even within, Germany itself. Our progress on the Italian front has, it is true, been slowed down but only at heavy cost to the enemy who have had to lock up in this theatre forces that they very badly needed elsewhere, especially on their Eastern front.

On that front the Russians, in a succession of titanic offensives sweeping all before them, have succeeded not only in freeing their own territory entirely from the enemy, but also in forcing the capitulation of most of the Axis satellites—Rumania, Bulgaria and Hungary—and are now within striking distance of Berlin itself. With the Russians investing her capital, the other Allies hammering at her Western frontiers, and the Allied air forces continually destroying her centres of war production, it is difficult to see how the final collapse of Germany can be long delayed. Nor is the position of the other surviving Axis partner much less precarious. In the Pacific Japan is rapidly being forced to give up her ill-gotten territories ; her navy and merchant shipping are disappearing under the combined attacks of the Allied sea and air forces, and she is now being subjected in her turn to the devastation of air attack.

9. Developments in the South East Asia theatre, in which India naturally has a special interest, did not take quite the course envisaged at the time of my last budget speech. Before any major offensive based on India could be launched against them, the Japanese took the initiative and committed almost their entire resources in Burma to a large scale assault on India's North-Eastern frontier. Some of the bitterest fighting of the war followed, largely on Indian soil, but the months of rigorous training in jungle warfare based on past painful experience in this theatre, which had been given to our forces, now paid magnificent dividends and, as the House knows, the Japanese suffered a major and decisive defeat. The full magnitude of the disaster inflicted on the Japanese in this brilliant campaign has yet to be revealed but the results to some extent speak for themselves, since not only were such of their forces as survived flung back over the border but the demoralised remains have been in continuous

retreat, suffering heavy losses in men and munitions of war in the process. As a result the whole of Northern Burma has now been delivered from their control.

Although the date of Japan's final discomfiture cannot yet be confidently predicted, the events just summarised encourage us to think that it may be nearer than we dared to hope a year ago. India may well be proud of the part played by her forces of all three services in these events, and it is satisfactory that the importance of her contribution in this theatre has at last been duly recognised and appreciated by the other Allied Nations.

10. I shall now briefly refer to other important developments in the field of defence which have taken place in India during the past year.

There have been a number of improvements in the terms and conditions of service affecting all arms. Certain improvements in the rates of proficiency pay of Indian other ranks that were in contemplation a year ago have since been sanctioned with effect from the 1st January 1944. Improved scales of basic pay and batta for Viceroy's Commissioned Officers were also introduced from the 1st April 1944. The Government of India have recently extended to personnel of the British Services in the India Command the war service increments of pay sanctioned from 3rd September 1944 by His Majesty's Government for such personnel in other theatres. They have also sanctioned similar increments for personnel of the Indian services with effect from the same date. These pay increases are admissible to all those having more than 3 years' service since the outbreak of war.

There have been further improvements in the medical arrangements for dealing with sick and wounded in India. The standards of military hospitals, both as regards buildings and equipment have been raised; better cook houses, fully modernised operating theatres, and improvements in ambulance trains have been introduced. Particular attention, too, is now being paid to the rehabilitation of wounded men, and the medical services are doing everything in their power to restore the normal functioning of limbs injured on active service so that the men concerned may take the fullest possible part in their subsequent civilian roles. An artificial limb centre has been established in India and is playing a very important part in this rehabilitation process.

11. During the cold weather of 1943-44 plans were made whereby the Defence Services would produce much of the supplies of fresh provisions required for their own consumption. These plans have now matured and by the middle of the year 60 per cent. of the fresh vegetables and potatoes required by these services was being obtained from schemes sponsored by them. Large

quantities of eggs and poultry were also being produced monthly. By the end of the year the Defence Services will be largely self-supporting in fresh vegetables and potatoes and the output of the other items mentioned will have been multiplied many times. In some places supplies of fresh food produced in this way exceed the service requirements and so become available for sale to civil consumers. These arrangements will also exercise a salutary check on the prices of such produce in the country at large.

In my last budget speech I made special reference to the efforts being made for the promotion of the welfare of the Defence Services. During the past year this subject acquired a good deal of publicity, particularly in the United Kingdom, and the visit of the Earl of Munster to India was designed to investigate how far the complaints from service personnel regarding the welfare and amenities arrangements in India were justified, and what steps were necessary to put things right. The investigation showed that within the limited resources at their disposal the authorities in India had done what was possible to ameliorate generally living conditions for soldiers—both British and Indian—in India. Such improvements as were called for were dependent in most cases on obtaining goods and services from overseas and it is expected that greatly increased facilities for this purpose will now be afforded.

12. The improvement in the quality of the Indian Air Force continues ; the most recent development is the introduction of the famous Spitfire aircraft, and one squadron equipped with these will shortly be given an active operational role as a fighter squadron.

During the past year the quality of the men who presented themselves for selection as General Duty Officers in the Indian Air Force has been somewhat lower than formerly. The effect of this has been a large wastage in training, and the necessity for increasing the monthly intake from 70 to 104 recruits. In spite of this, the 10 squadron target has not been reached owing to lack of pilots. The 9th squadron of the Indian Air Force was formed on the 20th February 1944 and the formation of the 10th is under consideration, but, unless recruiting improves, this will not be possible.

The Empire Training Scheme has been temporarily discontinued, but flying training in India continues as before.

13. The Royal Indian Navy continues to grow and further progress has been made in the construction of training establishments and holding depots. Apart from its work in the defence of India's ports and coasts, the Royal Indian Navy is playing a considerable role in escorting shipping and general policing duties in

Indian waters. It has given invaluable support and protection to the land forces in the recent operations on the Eastern Front in which its landing craft have played a major part.

14. India continued to receive goods and services from the U.S.A. under Lend-Lease arrangements and, in return, to grant Reciprocal Aid in various forms of supplies and services as explained in my speech last year. The demands for such aid have been heavier than was anticipated last year particularly in regard to works (mainly airfields), petrol and aviation spirit. To some extent this was due to the increased activities of the U.S. Forces in strafing the Japanese on India's North-Eastern Frontier. The estimated cost of Reciprocal Aid to be afforded at India's expense to the U.S.A. for which provision has been made in these estimates is Rs. 76.33 crores during 1944-45 and Rs. 70.34 crores during 1945-46. The value of such aid furnished in the year 1943-44 amounted to Rs. 35.11 crores and the progressive total of Reciprocal Aid from the beginning of the war to the end of 1944-45 would, on these estimates, amount to about Rs. 124 crores. At present the great bulk of Reciprocal Aid afforded to the U.S.A. in India is charged to Indian revenues and only a relatively minor amount of such aid (*e.g.*, that relating to certain non-indigenous supplies) is financed by H.M.G. and treated as British Reciprocal Aid. The total amount of supplies and services expected to be made to India under Lend-Lease arrangements up to the end of 1944-45 is now estimated at roughly Rs. 515 crores and the value of these supplies and services which India, but for Lend-Lease, would have had to provide at her own expense is now assessed at approximately Rs. 150 crores. It is impossible to make any similar estimate for the year 1945-46 as the extent of Lend-Lease granted during that year must necessarily depend on war developments both in the European and the Eastern theatres. There seems no reason, however, to think that the value of Lend-Lease aid received by India to the end of that year will fall short of the corresponding amount of Reciprocal Aid to the U.S.A.

During the year under review India signed a direct Mutual Aid Agreement with the Government of Canada, which entitles her to participate in the benefits of Mutual Aid accorded by the Canadian Government to the Allied Nations. The precise effect of this Agreement upon India's defence expenditure has not yet been finally ascertained in the absence of complete information regarding the amount of such aid to be made available but, in framing the revised and budget estimates, a reduction of Rs. 5 crores has been allowed on this account in the estimates of each year.

15. In my last budget speech I referred to the necessity for ensuring that India's economy was not subjected to an intolerable strain as a result of its employment as a major base of operations

against Japan. I have already referred to the Mission under Sir Akbar Hydari which is now in London examining in detail the extent to which demands for commodities required for war purposes, hitherto placed on India, can be met from other sources, and further what goods badly needed here can be sent out in order to offset the general depletion caused by war demands. It is hoped that this Mission, besides bringing much needed relief to India's economy, will have a wholesome educative effect on opinion in the United Kingdom and produce a better appreciation of the magnitude and nature of India's war effort.

16. During the year the negotiations with H.M.G. that have been in progress for some time past regarding the allocation during the war of non-effective charges, *i.e.*, pensions and gratuities paid to personnel of the defence services and their dependants, were concluded and an agreement between the two Governments on the subject has now been reached.

Prior to the outbreak of the present war, each Government received from the other contributions in respect of so much of the pensions and gratuities of their own armed forces as were reckoned to have been earned in the service of the other Government. Since under normal conditions the number of British service personnel employed in India far exceeded the number of Indian service personnel employed at Imperial stations, the net result of these adjustments was a substantial annual payment by India to H. M. G. This process necessitated the maintenance of an elaborate non-effective account and the continuous collection of detailed information regarding the service of many thousands of officers and men. During the last war it was found quite impossible to keep up this non-effective account which had therefore to be held in abeyance and the settlement of numerous claims and counter-claims in respect of non-effective charges relating to that war formed the subject of prolonged correspondence and eventually—though not until 1931—had to be settled in a more or less arbitrary manner. It was felt most desirable to avoid a similar long-drawn-out controversy over the non-effective charges arising out of the present war. The matter has been examined at great length by technical experts on both sides and the agreement now reached may be summarised as follows :—

(1) The non-effective account between the two Governments to be finally closed as on the 1st April 1939, India's net liability towards H. M. G. for the non-effective charges of all defence personnel on that date being discharged by a lump sum payment of £15 millions.

(2) India's net liability thereafter during the war to be fully discharged by an annual payment of £1,350,000 to H. M. G.

(3) Each Government to bear the cost of those casualty pensions and other abnormal non-effective charges arising out of the war, which are sanctioned under its own regulations.

(4) The new agreement to be co-terminous with the main Financial Settlement, a fresh agreement to be negotiated thereafter.

It is felt that this non-effective agreement has the great merit of simplicity, while securing an equitable apportionment of the charges in question between the two Governments.

The agreement provides for the payment of the sum of £15 millions on the date of its termination. Recently H. M. G. enquired whether the Government of India would be disposed to pay this amount in advance of that date and offered to reduce the annual payment of £1,350,000 by £450,000 as from the date of such premature payment. As this offer seemed to the Government of India a favourable one, it has been accepted and the payment was made on the 1st February 1945, from which date the annual payment will accordingly be reduced to £900,000.

17. It is now necessary to consider the effect of these developments on our estimates of defence expenditure for the current year. The Financial Settlement accepted in 1940 was the target for a great deal of abuse—much of it extremely ill-informed —by the press both in India and in the United Kingdom during the year. As was no doubt inevitable with any arrangement of this character, the criticism has been vehement and has proceeded from diametrically opposite points of view. It still remains, however, our sheet-anchor for the purpose of determining India's share of war expenditure. Under the operation of that Settlement India becomes liable for a considerable amount of additional expenditure arising out of the Japanese invasion at the beginning of the year. In framing the budget for 1944-45 it had been assumed that operations against the Japanese would take place outside India and, in consequence, that no portion of their cost would fall on Indian revenues, which, on the other hand, would be relieved as a result of the sending of forces beyond her frontiers to take part in those operations. In the event, not only had forces earmarked for employment overseas to be retained in India but others were brought in from outside to repel the invader, and no provision existed in the budget for the cost of all these troops or for the other additional expenditure incurred on these operations for which India is liable. This consitutes one of the major causes of the heavy excess of the defence expenditure for the year over our budget anticipations, but I trust the House will realise that this is a small price to pay for the victory which has assured to India immunity from the Japanese invader.

Other major developments that could not be foreseen a year ago and for which consequently no provision was made in the budget are :—

(1) The grant of war service increments and other pay increases to both British and Indian troops during the year ;

(2) heavy demands from the U.S.A. Forces in India for goods and services on Reciprocal Aid ;

(3) the decision that India would be liable for the indigenous element in the cost of imported petrol utilised for her own war purposes. As mentioned in my speech last year, H. M. G. offered to bear the cost of petrol and aviation spirit required for the expansion of India's land and air forces, but this offer, it has since been made clear, will only cover the cost landed at an Indian port, leaving the expenses of distribution in India to be borne by India ;

(4) the payment of the sum of £15 millions in connection with the Non-effective agreement.

18. The revised estimates of defence expenditure for the year 1944-45 amount to Rs. 397.23 crores and Rs. 59.41 crores under the Revenue and Capital heads respectively. The details are as follows :—

Revenue Portion

	(In lakhs of rupees)
(1) Basic normal budget	36,77
(2) Effect of rise in prices	16,92
(3) India's war measures	3,34,22
(4) Non-effective charges	9,32
Total ..	3,97,23

Capital Portion

(1) Air Force—Airfields	15,89
(2) Capital outlay on industrial expansion ..	3,34
(3) Reciprocal Aid—Airfields	15,20
(4) New Construction for the R.I.N. ..	1,00
(5) Capital outlay on Tele-communication scheme	3,98
(6) Lump sum payment under the Non-effective Agreement	20,00
Total ..	59,41

In the revenue portion, the increase of Rs. 1.87 crores in item (2) over the corresponding budget figure is due mainly to the grant of further increases in pay and allowances to the forces in India. The increase of Rs. 118.64 crores in item (3) is due to the major developments just mentioned and to an under-estimate of the cost of air services in India. The total increase has been counter-balanced to a certain extent by an increase in the amount of receipts on account of Lend-Lease stores supplied to Provincial Governments, Railways, Posts and Telegraphs Department and other paying indentors, and also to the relief anticipated from India's participation in Mutual Aid from Canada.

As regards the capital portion, the increases under items (1) and (3) are due to further demands for new airfields and the improvement and expansion of existing airfields for both British and American Air Forces in India. There have been further expansions of ordnance factories, dairy farms, etc., which account for the increase under item (2), while the decrease under item (5) is due largely to a carry-forward of expenditure connected with the Tele-communications Scheme to the year 1945-46. Item (6) represents the lump sum payment under the Non-effective agreement which I have already explained.

Civil Estimates.

19. The continuance of war conditions and, at the same time, the necessity to plan for the transition period and the days of peace ahead inevitably involve an increase in governmental co-ordination and control, which is reflected in increased expenditure. Thus civil estimates now stand at Rs. 115.42 crores compared with Rs. 86.38 crores provided in the budget. Honourable Members will find details of the variations in the Explanatory Memorandum on the Budget and I shall confine my remarks here to a few of the more important items.

Provision for Rs. 1½ crores was made in the current year's estimates as central assistance to Bengal for meeting their heavy expenditure on famine relief. Representations were, however, received from the Provincial Government that the grant was inadequate and the position was reviewed. It was finally decided to make an *ex gratia* subvention of half of the direct cost of the famine, subject to a maximum of Rs. 10 crores, of which Rs. 3 crores had already been adjusted in 1943-44. This decision is responsible for an increase of Rs. 5½ crores in expenditure this year.

Another important item is the expenditure involved in paying compensation for damage resulting from the explosions in the Bombay Docks in April last. The House is already familiar with the measures for the relief of the victims announced by the

Government of India. The machinery for dealing with claims is at work and steady progress is being made in disposing of them. At present it is not possible to assess accurately the total amount which will be involved, but provision has been made for an expenditure of Rs. 10¼ crores this year and Rs. 5¾ crores next year. The question of the incidence of this expenditure is under consideration and, pending a final decision as to the sharing of the cost between India and His Majesty's Government, it has been decided to meet the sums involved from general revenues, at the same time transferring from the War Risks Insurance Funds to the revenue account amounts equal to the estimated compensation payable.

20. Consistently with the drive for increased production of food, Government has steadily pursued its policy with regard to the statutory control of prices, procurement by or through its own agencies and extension of rationing which now covers some 42 million people.

In the matter of the procurement of grain, a steady advance has, as I have already mentioned, been made toward Government monopoly. While the object has been to maintain a price-level which will ensure adequate production without imposing too heavy a burden on the consumer, it is not the intention to attempt to bring prices down to pre-war levels and we have announced our readiness to intervene in supporting the market should prices fall unduly.

The steps taken to achieve these objectives, which involve transactions of vast magnitude, have necessarily led to considerable revenue expenditure and outlay of capital.

The same objectives of increased production, and control of distribution and of prices have been pursued in the field of other consumer goods. Price control of cloth has been extended to cover both the imported and exported varieties and a progressive reduction in prices has been achieved. We have recently been able to effect a further reduction in prices which to-day are nearly one-third less than those fixed in 1943. This represents a total overall reduction of approximately 75 per cent. from the peak reached in June 1943.

At the same time the problem of the stabilisation of the prices of Indian cotton within suitable limits has engaged Government's close attention and, in fulfilment of their undertaking to maintain the price above the fixed floor, Government entered the market and purchased during the current year some 2¾ lakhs of bales valued at over Rs. 6 crores.

21. The activities of the Supply Department have been directed towards the fulfilment of the same policy. An organisation has been set up in Calcutta for increasing the production of

coal and ensuring its equitable distribution among the consuming interests. Schemes for the payment of a bonus to colliery owners on increased raisings and for open-cut mining have been introduced, while facilities have been provided for the import of labour into the coal areas and welfare officers have been appointed to look after the interests of mine labour.

The Disposals Directorate has been strengthened and out of some Rs. 5 crores worth of goods reported as surplus, stores and salvage valued at nearly Rs. 2 crores have been disposed of. Closely connected with this aspect of the Supply Department's work are the plans now being laid for dealing with contracts which will have to be cancelled or reduced as war demands lessen. It is essential that steps be taken as soon as the war situation permits to cancel or curtail production so as to avoid the manufacture of redundant stores and the locking up of useful raw materials which are urgently needed for civilian requirements. At the same time the problems involved in the transition from war to peace are being carefully studied with a view to preserving the economy of the country from violent shocks in the process of adjustment.

The value of orders placed by the Supply Department, which was Rs. 256 crores in 1942-43 and Rs. 162 crores in 1943-44, amounted to Rs. 76 crores for the first seven months of the current year. This reduction is due partly to the transfer of responsibility for the procurement of textiles and foodstuffs to the Departments of Civil Supplies and Food and also to a falling off of demands in certain lines.

22. The scheme for financial assistance to evacuees and their families, to which I referred in my last budget speech, has been continued and extended. These measures are now estimated to cost a little over Rs. 1 crore more than the budget provision.

There is one other matter which I should mention, namely, India's contribution to the United Nations Relief and Rehabilitation Association. The House has already agreed that India should participate in this Administration and in implementing that decision, the Government of India have decided that India's contribution should be Rs. 8 crores. A sum of Rs. 1.10 crores is likely to be expended in the current year, for which a supplementary grant will be taken in due course and it is proposed to provide for the remaining Rs. 6.90 crores in the next year's estimates. This sum will be transferred to a special fund to prevent budgetary inconvenience in the future.

I alluded last year to the hardships caused to Government servants by the continued rise in the cost of living, and referred to the measures taken by Government to afford relief. Ameliorative measures in the shape of dearness allowance and concessional

issue of food grains still continue. The scheme of dearness allowance to low-paid Government servants was substantially liberalised in March 1944, and its cost this year is expected to be Rs. 3¾ crores in respect of Central Government servants other than those paid from Railways and Defence Estimates. We also came to the conclusion in the course of the year that certain other Government servants, who had so far received no cash relief, must also be given an allowance to enable them to meet their essential commitments. We have therefore given, with effect from the 1st July 1944, a war allowance at 10 per cent. of pay to married officers drawing pay up to Rs. 1,000 and at 5 per cent. of pay to single officers whose pay does not exceed Rs. 750. As the House is aware, we have under constant review the problems connected with the rise in the cost of living and its effect on Government servants of all classes and proposals for increasing the scope and extent of the relief already afforded are at this moment under active consideration. Until a decision has been taken it is not possible to evaluate the extra expenditure likely to be involved. The estimates are, therefore, based on the existing scales of relief.

23. The year that is now drawing to a close has thus seen India preparing herself more intensively not only for the launching of the final blow against Japan but also for the tasks of peace that lie ahead. It is inevitable that these great efforts should react on the budgetary position. Thus, while our revised estimates provide for a revenue of Rs. 356.88 crores, expenditure charged to revenue is expected to be Rs. 512.65 crores, resulting in a revenue deficit of Rs. 155.77 crores in the current year.

FINANCIAL YEAR, 1945-46

Revenue.

24. I turn now to the financial year 1945-46. Our total revenue estimates amount to Rs. 353.74 crores compared with Rs. 356.88 crores in the Revised Estimates for the current year.

Customs Revenue has been placed at Rs. 52.85 crores net, an increase of Rs. 12.85 crores over the revised estimate for the current year. This is based on the expectation of additional imports including a large number of locomotives and wagons. Under Central Excise Duties, we look for an improvement of nearly Rs. 6 crores, half of which is under tobacco. We estimate the total collections of Corporation Tax and Income Tax at Rs. 190 crores. This includes an expected yield of Rs. 90 crores from Excess Profits Tax, the forecast for other taxes on income being the same as the revised estimates for the current year, viz., Rs. 100 crores. The divisible pool of income-tax has been taken at Rs. 57.07 crores and the share available to Provinces at Rs. 24.04 crores.

The revenue of the Posts and Telegraphs Department is expected to be Rs. 30½ crores and expenditure Rs. 20 crores, inclusive of an extra contribution of Rs. 50 lakhs to rehabilitate the Renewals Reserve Fund. The surplus is estimated at Rs. 10½ crores, the whole of which will accrue to general revenues.

Expenditure.

25. *Defence Services.*—The Budget estimates of defence expenditure for 1945-46 amount to Rs. 394.23 crores and Rs. 17.76 crores for the Revenue and Capital heads respectively. The details are as follows :—

Revenue Portion.

	(In lakhs of rupees).
(1) Basic Normal Budget	36,77
(2) Effect of rise in prices	19,76
(3) India's war measures	3,28,51
(4) Non-effective charges	9,19
Total ..	3,94,23

Capital Portion.

	(In lakhs of rupees).
(1) Air Force—Airfields	2,42
(2) Capital outlay on industrial expansion ..	1,55
(3) Reciprocal Aid—Airfields	10,74
(4) New Construction for the R.I.N. ..	50
(5) Capital outlay on Tele-communications Scheme	2,55
Total ..	17,76

In the revenue portion, the increase of Rs. 2.84 crores over the Revised estimates in item (2) is due to the effect over a full year of the grant of increases in pay and allowances to the forces in India sanctioned during 1944-45. In regard to item (3) there is a reduction of Rs. 5.71 crores as compared with the Revised Estimates which is the net result of various increases and decreases. The principal increase is due to the cause just mentioned while the decreases are the result of (*i*) a decrease in the "ceiling" forces certified by H. E. the Commander-in-Chief to be necessary for the defence of India during 1945-46 and (*ii*) the fact that no repetition of large scale operations within India's frontiers is expected in 1945-46.

Of the decrease of Rs. 41.65 crores under the Capital portion of the Budget estimate as compared with the Revised, Rs. 20 crores is explained by the non-recurring lump sum payment under the Non-effective agreement included in the Revised

Estimates. The balance of the decrease is due to the fact that the requirements in the matter of Airfields, etc., for India's local defence air forces are expected to be largely completed in 1944-45, while a reduction during that year in the programme of Airfields construction for the U.S.A. Air Forces in India, for the cost of which India is liable, has also been assumed. The provision made against item (5) represents the carry-forward of expenditure on the Tele-communications Scheme into the year 1945-46.

Civil Estimates.

26. Civil expenditure shows an increase of approximately Rs. 8 crores as compared with the revised estimates for the current year. This is due mainly to an increase of about Rs. 11½ crores under the head "Interest," resulting from the policy of borrowings to absorb surplus purchasing power, offset by savings under other heads. In the Explanatory Memorandum Honourable Members will find full details and I will not weary the House with further analysis at this stage. The expenditure estimates also contain sums in connection with post-war planning, to which I shall refer more fully at a later stage.

27. I can now summarise the position for the coming year. The expenditure detailed in the Civil Estimates comes to Rs. 123.40 crores and the provision for Defence Services has been placed at Rs. 394.23 crores. The total revenue at the existing level of taxation is estimated at Rs. 353.74 crores. We are thus left with a prospective revenue deficit of Rs. 163.89 crores.

WAYS AND MEANS.

28. I now come to the Ways and Means section. At this stage last year I made a few introductory remarks in order to explain the changed significance of the ways and means position in the conditions created by the war and to bring into relief the complex economic problems created by war disbursements as well as the extent to which Government are able to re-absorb, by way of taxation and borrowing, the evergrowing quantities of moneys expended by them. In the figures which are published from time to time of Government's rupee balances is reflected the extent to which these and other operations of Government succeed in bridging the gap between our own budgetary requirements and the total outlay on Allied account.

As in previous years, borrowing has been the mainstay of our ways and means programme and no effort has been spared to stimulate lending to Government by the various sections of the public. For the best part of the year, war developments continued to be encouraging, and this was undoubtedly a favourable psychological factor. The total amount invested by the public in various forms of public loans reached Rs. 286 crores

during the twelve months beginning with the 1st February 1944 and ending with 31st January 1945. This figure, which approximates to the total receipts for the previous twelve months, must be regarded in the context of the other anti-inflationary measures newly introduced during the year, such as the hundred per cent. immobilisation of excess profits, the 'Pay-as-you-earn' income-tax collections and the sales of gold and silver which have also played a not inconsiderable part in mopping up surplus funds. In continuation of the cheap money policy hitherto followed, the Government have, in consultation with the Reserve Bank, framed their borrowing programme so as to make available to the public a wide range of securities. The 3 per cent. Loan 1953-55 (4th Defence Loan) was closed for public issue as from the 1st April 1944, after the total subscription had reached the record figure of Rs. 114.55 crores during its currency of nine months, and, in its place, the tap issue of the First Victory Loan 3 per cent. 1957, was opened. This issue had, up to its closure on the 17th February, yielded about Rs. 110 crores. The demand from banks for a short-term Government security was met in June by the creation of a special re-issue of the 2½ per cent. Loan 1948-52 to the extent of Rs. 50 crores. Continued demand from institutional investors for a long-term loan was also met by the further creation in October of Rs. 35 crores of the 3 per cent. Funding Loan 1966-68 so as to replenish the stock of this loan held in the Government Cash Balance Investment Account. The generally steady conditions in the Government securities market led to a continuous improvement in the price of 3½ per cent. Paper, which reached par for the first time on the 16th November 1944. At this stage, it was considered desirable to meet the demand from existing stock, and during the period mentioned above, Paper worth Rs. 15.11 crores was sold by the Reserve Bank of India on Government account. As in the previous year, Rs. 13.27 crores of new money was subscribed to certain provincial loans floated to repay a part of the Provincial consolidated debt to the Central Government.

I referred last year to the interesting departure from orthodox loan policy that was made in the Premium Bond issue. The sales so far have amounted to Rs. 4 crores which is lower than our expectations, due partly to the fact that the issue has not been intensively publicised and partly to its proving less attractive than at one time seemed probable. We have, however, decided to continue the experimental issue for the reason that it will help to draw off money from a class to whom other forms of investment make no appeal.

The progressive total of public loans since the beginning of the war has, up to the end of January, reached the impressive figure of Rs. 833 crores.

29. The main difficulty that still confronts us in the monetary field is that arising from the unfamiliarity of the rural classes with the various forms of investment in Government securities which are a matter of such everyday concern to institutional investors and the urban public generally. In this field we have been fortunate enough to secure the willing co-operation of the Provincial Governments as well as non-official organisations, whose assistance I take this opportunity of acknowledging. The results are reflected in the much better showing of the net deposits in Post Office Savings Bank accounts and in the 12-year National Savings Certificates. Net investment in these and other forms of small savings, that is to say, excess of deposits over withdrawals, continues at the satisfactory rate of nearly Rs. 3 crores a month, due to some extent to the raising of the rate of interest on Savings Bank deposits and, in a larger measure, to the scheme of Small Savings evolved last year by the National Savings Commissioner.

Our floating debt, which was Rs. 111 crores at the end of last year stood at Rs. 93 crores on the 31st January, 1945. This is an improvement of a kind one would expect, since the Government's ways and means position from the strictly budgetary point of view must be regarded as very comfortable. The reason why it has not proceeded much further is that we have continued till recently to offer fairly large amounts of treasury bills to the public in order to prevent the structure of money rates being disturbed by an excessive release of funds invested by banks in treasury bills.

Satisfactory as these results are, with the expected prolongation of hostilities near our borders, after the date when the war in the West may reach its termination, it is obvious that we cannot afford to relax our efforts. The requirements of the situation will impose the continuance and possibly even the final intensification, of India's war effort, which includes the finding of the resources required for the war effort of the Allied countries. In other words, the problem of the inflationary gap is still with us, and, judging from recent indications, may call for increased vigilance and control.

30. As I have already said, the various anti-inflationary measures that we have adopted were sustained, and in places extended, during the year. Most of the usual indices responded encouragingly to these measures, and to the very favourable turn in hostilities that the year witnessed. The general index number of wholesale prices of the Economic Adviser, has, for instance, ranged between 240 and 250 approximately since May 1944, and the Calcutta index number has been relatively stationary for the last few months. Honourable Members will find graphs giving the main indices in the Explanatory Memorandum. Cost of living index numbers, generally speaking, have also registered

declines in differing degrees since the peak reached during the autumn of 1943, the general picture being one of comparative stabilisation in recent months. There is also evidence that the low rate of turnover of bank deposits characteristic of last year has been maintained, and that there has been, through the greater part of the year, some slackening of the general pace of monetary circulation. There was, moreover, a very marked decrease in the rate of currency expansion, particularly in the first eight months of this year. In the last two months the results have not been so favourable—an indication that we cannot afford to relax our efforts to ensure that surplus purchasing power arising out of Governmental disbursements is canalized into public saving. The Government, on their part, are vigilantly reviewing both the scope for reducing the loan on the country's resources constituted by our own and the Allies' war efforts and the possibility of adding to the available supplies of goods required for public consumption. This, indeed, is the main object of the Hydari Mission which, it is hoped, will succeed in reducing the economic load incidental to the use of India as a base for further operations in the East.

The Reserve Bank continued to effect sales of gold on behalf of His Majesty's Government and the Government of the U.S.A. and these contributed substantially to the reduction of the inflationary gap. Sales of Lend-Lease silver, which were commenced in the middle of the year, have further aided in mopping up surplus resources which do not find their way to Government loans.

31. In my last budget speech, I referred to the expected convening of a Conference of all United Nations to consider the plans put forward for international monetary regulation in the post-war period. The United Nations Monetary and Financial Conference, consisting of representatives of forty-four nations, met in July in the United States at the invitation of President Roosevelt, and, as the House is aware, India was represented at the Conference by a delegation in which I was accompanied by the Governor of the Reserve Bank, the Economic Adviser to Government and two distinguished non-officials. The main conclusions of the Conference relating to the establishment of an International Monetary Fund and an International Bank for Reconstruction and Development are recorded in Articles of Agreement to which none of the Governments is as yet committed. The Articles are incorporated in a Final Act of the proceedings of the Conference which have been published. The Indian Delegation have now submitted their report to Government and it will be placed before the House in due course, when the conclusions of the Conference can be reviewed in the light of the action taken on them by the principal countries concerned, in particular by the United States and the United Kingdom.

32. I referred last year to the importance of an orderly liquidation of war balances for the success of any international monetary scheme. The Joint Statement by Experts on which the Conference based its deliberations omitted any mention of this problem, although the original plan of the British Treasury recognised the desirability of some provisions to deal with it, and the first two versions of the United States Treasury plan contained some actual provisions to this end. The Indian Delegation pressed the Conference to provide for partial multilateral clearing of war balances through the machinery of the Fund, in the interest alike of promoting economic development of backward countries and assisting the broad objective of the Fund to secure the expansion of multilateral trade; for the relegation to bilateral channels of the whole of the large area of trading involved in the settlement of war balances might seriously constrict the scope of multilateral transactions. The proposal was, however, negatived by the Conference primarily on the ground of the limited size of the Fund in relation to the magnitude of the war balances. The question, therefore, remains one for settlement in direct negotiations with the United Kingdom.

33. On the termination of the Bretton Woods Conference and before my return to India, I spent a short period in London and I took the opportunity of having preliminary talks with His Majesty's Treasury officials on the question of India's sterling balances. Since many of the material data were still incomplete and uncertain, particularly the exporting capacity of Great Britain in the immediate post-war years on the one hand, and the development requirements and absorbing capacity of India on the other hand, these conversations were necessarily directed towards exploring the background for future discussions and the indication of a suitable time-table for more definite negotiations. The vicissitudes of the war in the West have, I am afraid, disturbed the provisional time-table foreshadowed at these talks, and I do not anticipate that any negotiations can be usefully entered upon until after the end of the war with Germany. In view of the lack of definition at this stage of our own development programme, I do not think that the delay should be prejudicial to India's interests. Indeed, it may well prove necessary that any negotiations to be carried on should, in the first instance, be of a tentative character and should secure both parties an agreed opportunity for review at a later stage when firmer data may be expected to be available.

In the meanwhile, sterling continues to accrue from market purchases and from payments received in London on account of recoverable war expenditure incurred by the Allied Governments in India. During the last eleven months of the current financial year, £248 millions were added to the Reserve Bank's holdings,

and it is estimated that allowing for the receipts during the last month of the year, the total holding as on the 31st March 1945 will be of the order of £1,030 millions. It is hoped that the rate of accrual will be slowed down in future both by diversion of some of the demands now made on India to other sources of supply and by an increase in compensatory imports.

It must also be remembered that any payments that will become due from India to H.M.G. for stores required for her post-war defence forces or in connection with terminal adjustments after the war will partly counteract these accretions. So also will the rupee sale-proceeds of surplus stores and other assets belonging to H.M.G. that are disposed of in India. I mention these factors which may operate to mitigate the further aggravation of a problem which is already sufficiently formidable.

34. With the virtual completion of the scheme of repatriation of sterling liabilites of the Government of India, including payments on account of railway and railway debentures referrred to in my last budget speech, there was limited scope for the utilisation of sterling during the year, with the exception of £15 millions for the capitalisation of a portion of India's Non-effective charges which I have explained earlier and of £10 millions for the acquisition of the M. & S.M. Railway, the S.I. Railway, and the B.N. Railway. The outstanding sterling liabilities of Government now stand at about £11 millions. The holders are mostly residents of places situated outside the area covered by the Vesting Orders, although small amounts continue to be tendered occasionally.

35. I referred last year to H.M.G's willingness to set aside, each year, as a special case, a part of the dollars accruing from India's export surplus to the U.S.A., an amount earmarked specially for India's post-war development. After a very careful examination of current figures and tendencies, we have agreed to accept an amount of $20 million for the calendar year 1944 and a similar amount for 1945, subject to re-examination later in the light of the relevant satistics for that year. This figure is, of course, in addition to what we need for current requirements. In agreeing to it, we have recognised that it was both reasonable and necessary, with a view to ensuring the stability of the sterling system in which we are so closely interested, that we should continue to make some contribution to the replenishment of the sterling area reserves, which had been depleted in the common war effort. On the other hand, we have naturally been anxious to make some immediate tangible provision for foreign exchange for the purchase of capital goods likely to be required for India's post-war development purposes, and we feel that the arrangement described represents in the circumstances a fair and valuable concession to this point of view. The relevant figures will be under

periodic review and the House may rest assured that at no stage will India's direct interests be subordinated to interests other than those in which she herself has a greater, although indirect, interest.

POST-WAR PLANNING.

36. Last year I referred to the twin subjects of post-war planning and reconstruction finance, and have but little now to add to the general picture which I then drew. In the matter of detailed planning for post-war development much progress has been achieved during the past twelve months, and the creation of a separate department at the Centre for this purpose and of suitable planning organisations in the Provinces and States bear witness to the determination of the various governmental authorities in this immense country that the end of the war will not find them unprepared for the major campaigns of the peace to follow. But it must be obvious that, so long as war conditions continue not only in India but in all the Allied countries, resources of materials and man-power must remain mobilised for the immediate task of achieving victory. Once that task has been accomplished and the inevitable period of adjustment has passed, it will be possible to initiate the execution of plans for post-war development. These physical limitations to the superimposition of a forward policy of national development on an economy subjected to the strain of total war have their counterparts in the financial sphere. So long as the financial and currency system of the country is overstrained in the maintenance of the war effort or in securing the early stages of transition from war to peace, heavy new expenditure on national development schemes would be dangerous in the extreme. In other words, post-war development must mean and must continue to mean post-war development, and by no magic or optimism can it be made to mean war-time development. The first year or two at least after actual fighting ends will inevitably be for the Centre years of heavy deficit on revenue account. It will be during this period that the Provincial Governments will find of particular value the post-war Reconstruction Funds which they had the foresight and determination to build up while the war was still in progress.

37. While it is indubitable that large-scale development projects cannot be initiated so long as war conditions continue, the Government have no hesitation in embarking at once on such preparatory work as is found to be possible and desirable, or in taking any action calculated to secure early results of anti-inflationary value. Thus of late the Government have set up a Central Electrical Power Board, an Irrigation and Waterways Board, a Resettlement and Re-employment Directorate with a network of Employment exchanges, and have established numerous panels of industrialists, assisted by Government personnel, to prepare plans for industrial development. Plans have been

laid for high-level technical training abroad, on a large scale but suitably diversified, and steps have been taken to set up a Rs. 10 crore Government fertiliser factory to produce annually 350,000 tons of ammonium sulphate. This general policy the Government intend to continue, and provision for Rs. 1 crore has been made in the Budget for such measures of a like nature as may be found practicable. This provision is over and above that included in the Budgets of the various administrative departments for their planning activities. Should these amounts prove to be less than can usefully be spent the House will be moved to vote such supplementary grants as may be required.

38. I said last year that if any effective development is to take place on the requisite scale in this vast country large amounts of money are bound to be involved; and I expressed my firm conviction that the first pre-requisite of reconstruction finance is a sound financial position, both at the Centre and in the Provinces, secured by the fullest development of their respective taxation resources. I hold that conviction if possible still more firmly to-day. A vast scheme of national development of the kind contemplated by a number of public leaders and writers, and by the Government, has to be planned for, worked for and paid for. There is no easy road to big achievement in this field. It is essential, therefore, that not only the Centre but also the Provinces should lose no time in developing to the full their financial resources, since it is clear that the combined resources of all will hardly be adequate for the great end in view. For that reason, I feel that those Provinces which made an early start and taxed themselves considerably in excess of their immediate revenue requirements should not, as a result of the favourable financial position in which they find themselves, be prejudiced in the matter of financial assistance from the Centre. It is our hope and intention that in due course a substantial distribution of Central revenues will take place, but the Provinces will, in addition, need all that they themselves can raise if the financial foundations of future development are to be sufficiently broad-based to carry the contemplated load. It is in this context that the Estate Duty Bill, which I hope to introduce later in the session, must be viewed. For this measure, together with the recent expansion of commodity taxation, should be regarded as the first concrete step towards the building up of a planned and expanding financial system for the future. The reaction of the country to measures such as these will, in my view, constitute the first real test of the seriousness of its intentions in the matter of post-war development. The second effective test will be the response to the Government's efforts to establish a national habit of saving which, with the denial of current consumption which it involves, will be as necessary for development purposes after the war as it is for holding inflationary tendencies in check during the war.

39. It may be appropriate for me, in my last Budget speech, to devote a little more time to the subject of the fiscal means by which the Government of the future may be enabled to fulfil the high hopes now entertained, and to give the outcome of my own reflections on this topic.

Tax revenue depends, in the last resort, on the rate of tax and the national income. The national income, in its turn, is determined by the level of prices and the scale of economic activity. If then, to fulfil the programme of development, India will require a level of expenditure much more closely related to its present than its pre-war scale, a great deal must necessarily turn upon the future price-level and the future level of economic activity. Both these must be taken into account. There is a tendency to argue that the high level of prices which has been reached during the war—when so large a proportion of the productive powers of the nation are devoted to non-civilian ends—must be maintained in the post-war period, otherwise it will not be possible to raise the necessary resources. I believe this to be a mistaken view. When the productive power of the nation is turned from manufacturing for war to manufacturing for civilian use, there will be a larger supply of goods available and this additional supply must result, in my judgment, in lower prices for those goods. But if simultaneously the total volume of activity deployed during the war can be maintained and increased, the total national income can be maintained and even increased in spite of a fall in unit-prices. It is the maintenance of the aggregate national income in terms of money and not the stabilisation of prices of individual commodities that should be the objective in the years after the war. It may well be that in that period some prices will rise, and some will fall—for it is the inevitable consequence of rapid changes such as those of the last five years that relative price changes should get out of step—nevertheless, our efforts should be directed rather to the maintenance of the aggregate figure upon which the fiscal authorities can operate than upon the guaranteeing to each particular group of producers of the prices which their products may, in certain cases quite fortuitously, have attained during the war.

40. But while it will be necessary in the post-war years to impose taxation of a magnitude comparable with that existing at the present time, it by no means follows that the existing scheme of taxation should continue when the present hostilities have ceased. Excess Profit Tax is an obvious expedient in time of war to secure reversion to the State of a due proportion of any increased profits made by industry in the abnormal conditions then prevailing. Any scheme for the levy of a special tax upon such increase of profits can at best be of a somewhat rough and ready nature, no matter what degree of thought and care have

gone to the devising of the enactment that gives effect to it. Moreover, the datum line from which excess profits are measured must inevitably bear less and less relation to current realities as we get further and further from the pre-war years. It is, therefore, to my mind desirable that this war-time expedient should vanish with the emergency that brought it into being.

Repeal of the Excess Profits Tax would not, however, represent a proportionate loss of revenue, for Excess Profits Tax is allowable as a deduction in computing profits assessable to income-tax and super-tax, so that with its repeal, profits assessable to income-tax would be correspondingly increased. Nevertheless, whatever may be the extent and duration of the post-war boom during which industry will be engaged in repairing the ravages of war and whatever may be the scale of the profits that are expected to accrue from the plans for the post-war expansion of industry, taxes on non-agricultural income can hardly be expected to continue to play the overwhelming part in the scheme of national finance that they now do. The projected estate duty on property, other than agricultural property, would be capable of restoring in due course the position as regards the aggregate contribution made by the industrial, commercial and professional classes of the community as such. It has to be remembered, however, that these form but a small proportion of the total population of the country and it will be necessary to secure a further contribution from the remainder.

Agricultural income-taxes would go some way to achieve that end, and this is, in my view, an inevitable development if the Provincial Governments, to whom this source of revenue is allocated by the Constitution, are to play their part in mobilising the resources of the country for the prosecution of the campaign against poverty, illiteracy and ill-health.

41. Our main revenue from commodity taxation has hitherto been derived from customs duties and these are likely to remain a highly important source of revenue for many years. Indeed, in the immediate post-war period, extensive importation of capital goods and replenishment of stocks of urgently needed consumer goods of all kinds may cause customs receipts to soar to unprecedented heights; and though they may decline sharply once the market has built up adequate stocks of goods for general consumption, they are likely to remain buoyant for a number of years. With the growing industrialisation of the country, however, this source of revenue can hardly be expanded and may, indeed, appreciably contract, particularly if the customs tariff should be given a more positively protective complexion; moreover, there are decided objections to burdening capital goods and raw materials with too high rates of duty. As an instrument of commodity taxation, reliance will therefore, increasingly have to be placed on central excises. The exigencies of war-time finance

have already necessitated systematic exploration of this field. New excises have been introduced which are already lucrative and can be expanded; and the law and procedure relating to central excises have been consolidated in a compendious code, which has been so fashioned as to enable the present excises to be enlarged or further excises to be added as the Central Government's finances may, from time to time, require.

42. Another possible major development in the field of indirect taxation lies in the expansion of the sales or turnover tax. This source of revenue has so far been but lightly tapped in India, but increasing recourse to it may be necessary in order to finance schemes for economic expansion. Since the first World War the sales tax has become an important feature of the revenue systems of most leading countries of the world and, in some of them, has rivalled customs and even income taxation. During the present war a purchase tax has been introduced in the United Kingdom, which has not only helped to check inflation in that country but has yielded a very large revenue. In India, the sales tax is a provincial impost and has been applied only in five provinces; and, except in the province of Madras, the yield so far is comparatively small. As with other indirect taxes, care is necessary to prevent the incidence from being too regressive. Problems also arise from uneven incidence in contiguous territories. It would obviously be to the advantage of the consumer and of trade in general if the tax were applied (in so far as may be practicable) in the same manner, at the same rates, and to the same classes of transaction, throughout the country. It is possible that, with the aid of the Central Government, a comprehensive system might be devised and administered on a national basis, the net proceeds accruing to the Governments of the participating units. An all-India tax of this kind would greatly assist the provinces with their plans for development; and if higher rates were imposed on luxury goods, it should also assist in counteracting the inflationary tendencies of a period of expansion.

43. There is one further issue to which I must make reference. Public discussions of the advantages of the State ownership or operation of industry, as against the advantages of private enterprise, are being very actively pursued at the present time, which is natural in view of the intrinsic importance of the question. But, in the public consideration of these matters, I feel that perhaps insufficient attention has hitherto been paid to the question whether it would not be advisable to extend State ownership of industries as a source of additional revenue. It may well be that in the future the State may find it necessary to nationalise certain industries—especially those with large possibilities of expansion—in order that it may have at its disposal additional sources of income for the sustenance of national well-being as a whole.

New Proposals.

44. I return now to the problems of the year immediately ahead. Against a total estimated expenditure, military and civil, of Rs. 517.63 crores, the total revenue at the existing level of taxation is estimated at Rs. 353.74 crores, leaving a revenue deficit of Rs. 163.89 crores. On the assumption that the whole of this gap were to be filled by borrowing, the pattern and proportion of our war-time budget would seem to challenge comparison with that of any belligerent country. We have, however, as I explained in detail last year, to keep in view a larger and more comprehensive target if we are to minimize not merely our own budgetary deficit but the gap between total rupee outgoings, whether on our own or Allied account, and total rupee incomings, whether by taxation, borrowing, sales of bullion or other devices for absorbing surplus purchasing power. Whilst the general picture, in the light of this more exacting objective, gives less cause for satisfaction, I have, on a careful survey, come to the conclusion that no really significant improvement could be effected by any practicable major change in the sphere of Central taxation. The scope for further improvement in this field lies rather, in my opinion, in the direction of greater efforts to combat evasion and in the enforcement of existing tax obligations. I trust that we shall have the support of the House and the country in that policy. For the rest, we must rely on the expansion of our borrowing programme and on the response of the public, born of the gradually widening appreciation of its importance to the maintenance of the economic health of the community, and assisted by the operation of the various controls.

45. In the sphere of direct taxation it is proposed to continue the excess profits tax at the present rate, together with the scheme of compulsory deposits, for a further year up to 31st March, 1946. As regards income-tax, we have given considerable thought to the problems which will shortly arise in regard to the financing of the re-equipment of industry. Our scheme of war-time taxation has throughout been so devised as not to deplete, and on the contrary to strengthen, the reserves at the disposal of industry for meeting the calls which will be made upon them in the post-war period. In this respect we may, without undue sacrifice of modesty, claim to have shown more foresight than we have been given credit for. Nevertheless we are conscious that the restoration and expansion of the machinery of production will call for some new form of assistance, and we feel that we are justified in adapting to Indian conditions the measure of relief which has been announced in the United Kingdom. This will take the form of the grant of special initial depreciation allowances in respect of new buildings erected, and new plant and machinery installed, after the 31st March, 1945. These allowances will, in

the year in which they are given, be an addition to the usual depreciation allowances and they will not be deductible in arriving at the written down value. They will not be given for E.P.T. purposes. It is proposed to prescribe these allowances by rule but I may state here that the figures I have in mind are 20 per cent. on plant and machinery and 10 per cent. on buildings. Allowances at these rates, in addition to the usual rates, should provide substantial encouragement for the early re-equipment of industry.

46. I am also proposing to allow for income-tax purposes expenditure on scientific research. The proposals follow generally the provisions in the U.K. Finance Act 1944, which have been described by the Chancellor of the Exchequer as "a comprehensive attempt to relieve from taxation altogether funds devoted by industry to the support of fundamental research, to the translation of laboratory research to production and to the full-scale development of the product." The proposals, in brief, are the allowance of current research expenditure as it is incurred, the allowance of payments to recognised research bodies and institutions and the allowance over a period of five years or over the life of the assets, if shorter, of research expenditure of a capital nature.

Provisions for these reliefs, as well as for earned income relief, which I will now explain, are contained in a Bill to amend the Income-tax and E. P. T. Acts which is being put before the House.

47. Differentiation for income-tax purposes between incomes that are earned by personal exertion and incomes that are not so earned has long been a feature of the taxation systems of many countries, including England and the U. S. A. It has been somewhat aptly described as the only method by which the depreciation of the human machine can be adequately recognised in taxation. Recent developments in India have emphasised the inequity of the identical treatment of earned and unearned incomes, and this is an appropriate time at which to introduce this distinction into our system. The Finance Bill provides that there shall be an exemption of one-tenth of earned income subject to a maximum (in terms of income) of Rs. 2,000. The Income-tax Amendment Bill to which I have referred contains provisions for giving effect to this proposal. The exemption will be given only in respect of income which may be described as derived from personal exertion and will not, therefore, for example, apply to the income of companies or in respect of dividends, interest on securities or income from property. It will be given only for income-tax and not for super-tax.

The cost of this earned income relief is estimated at about Rs. 3½ crores, of which the Centre will bear Rs. 2¾ crores. To make up for this loss I propose to increase by 3 pies the surcharge on slabs of income above Rs. 15,000 and on incomes taxable at the maximum rate. This increase will not apply to Life Insurance Companies whose combined rate of income-tax and super-tax will continue to be 63 pies. It is estimated that this small increase will yield about Rs. 4 crores.

48. In the sphere of indirect taxes, the Customs surcharges which are being levied for revenue purposes during the present abnormal conditions will be continued for another year. In the Central Excise tariff a further change is proposed in respect of tobacco. The improved shipping situation has enabled the limit placed on the proportion of imported tobacco in the more expensive types of cigarette to be raised from thirty to seventy per cent. It is accordingly now proposed that the highest class of flue-cured tobacco in the excise tariff should be subdivided into three and should be subjected to a duty of seven rupees eight annas, five rupees, or three rupees eight annas, a pound, according as it is intended for use in the manufacture of cigarettes containing more than sixty per cent., more than forty but not more than sixty per cent., or more than twenty but not more than forty per cent. by weight of imported tobacco. Minor changes include a parallel increase in the rate of duty on flue-cured tobacco intended for any purpose other than those specified in the tariff. Complementary changes to these will be made in the Customs tariff, where the standard rate of duty on unmanufactured tobacco is being raised to seven rupees eight annas a pound, with no surcharge, and the rates for related items—cigars, cigarettes and manufactured tobacco—are being re-fixed so as to correspond. These changes, which will come into effect immediately by virtue of a certificate under the Provisional Collection of Taxes Act, are expected to result in an increased revenue of Rs. 3.6 crores under Excise and Rs. 2.4 crores under Customs, a total of Rs. 6 crores.

49. The only other changes included in the Finance Bill this year relate to postal parcels, the traffic in which continues to increase at a rate with which it is difficult to cope. The rate, which is now 6 annas for the first forty tolas and 4 annas for every forty tolas thereafter, will be raised to a uniform 6 annas for every 40 tolas. It is also intended to raise the surcharge on telephone rentals from one-third to one-half, and that on trunk call fees from 20 per cent. to 40 per cent. The surcharge on ordinary and express telegrams will also be increased by one anna and two annas respectively. The total additional estimated yield of these increases is Rs. 1,35 lakhs.

Excluding the effect of the proposals for relief to industry in respect of re-equipment and scientific research, of which no reliable estimate can be made at this stage, the changes in taxation and in postal and telegraph rates will yield an estimated increased revenue of Rs. 8.60 crores, which would reduce the prospective deficit to Rs. 155.29 crores.

Conclusion.

50. Though this is the end of my last Budget Speech, the House will be relieved to learn that I do not intend to inflict on it a recital of the financial events of my period of office. So much has happened in these six years—a longer period, I believe, than that of any of my predecessors—and changes of such a scale and complexity have been brought about, that I will not attempt to summarise them. I would rather leave that task to the historian and the economist, who will in due course pass judgment on the handling of these matters. No man who bears so large a share of responsibility as the Finance Member of this Government for the stability of this great country with its enormous population, could fail, during the course of the last few years, to experience the most intense and prolonged anxiety. No man in that position, beset from day to day with harassing problems clamouring for instant solution, could claim that all his decisions had proved to be right. I have been sustained throughout these troublous times by a firm behalf that I was acting in the best interests of India. I have been conscious that the difficulties that will arise after the war may be even greater than those of the war, and I have tried, so far as I could, to do nothing that would aggravate them. I have had constantly in mind the thought of the fuller status that India may shortly be expected to achieve, and have endeavoured to order the matters entrusted to me in consonance with that expectation.

51. I am confident that the financial position of this country is one of immense strength, and that it has successfully weathered the violent storms to which it was exposed. It is not merely the extinction of all her external obligations, and the replacement of them by massive assets, but the fact that even her internal improductive debt must be a far lighter charge on the national income at the new levels which she will obviously be able to maintain in the future. This has been achieved at great sacrifice, but it has none the less prepared the stage for the momentous developments of the years to come.

52. I realise that problems of great difficulty and intricacy still await solution. They are part of a tangle of world problems which is the inevitable heritage of war. In spite of the lessons of the last great war and its aftermath and in spite of all that has been said on the subject during the present war it has not

yet proved practicable to devise and ensure the just allocation of the cost of war among the participants in a common cause. It is not merely the evaluation of enormous material devastation, nor the appraisement of the extent of sacrifice, in terms of blood and sweat and tears, which has defied all accountancy ; it is the proportionate distribution of the final burden among partners of widely varying capacity and with entirely differing standards of living which needs to be effected as equitably in the international field as modern systems of national taxation aspire to do in the domestic sphere. Speaking entirely for myself, I cannot see how the pooling of currently available resources, coupled with the acceptance of the fortuitous location of the ravages of war, can provide a complete solution for problems of this character.

53. Before I sit down, Sir, I should like to take this occasion to express my gratitude to the devoted band of official assistants who have served me so well in times of unparalleled strain and difficulty. Their numbers are sadly restricted, and the demands on them have been unlimited, but they have responded so nobly that I should be failing in my duty if I did not publicly accord them this meed of recognition.

RAILWAY BUDGET, 1945-46.

Extract from the Proceedings of a meeting of the Legislative Assembly, held at New Delhi on Thursday, 15th February, 1945.

Speech of the War Transport Member, the Hon'ble Sir Edward Benthall, introducing the Railway Budget for 1945-46.

SIR,—The figures which I am about to disclose in presenting the Railway Budget for 1945-46 are, judged by pre-war figures, phenomenal ; but it is of still greater importance that they reflect the success of the railways in performing the task laid upon them.

The Past Year.

2. Assisted by the welcome absence of serious natural disasters in the shape of floods and cyclones or man-made hindrances to movements, performance has shown a satisfactory improvement. The Bombay explosion caused a small amount of damage to the railways and dislocated traffic in the Bombay area for some considerable time but this and a series of minor floods unlike the misfortunes of the two previous years, had no major effect upon the carrying or earning powers of the railways. In the first 8 months of the year the railways loaded 7¼ per cent. more wagons and carried nearly 2,000,000 tons more goods than in the same period of the previous year. Coaching traffic, judged by earnings, showed a remarkable increase of some 30 per cent. spread over all railways. The heaviest regional increase in goods

traffic has, of course, been on the lines of communications to the Burma front where rolling stock was concentrated and where we had the invaluable assistance of our American friends over a large section of the metre gauge ; but other railways less fortunately placed have also shown creditable increases. Continuous efforts are being made to speed up traffic and expedite the turnround of wagons but several factors have tended to offset further improvements such as the more stringent operation of the priority system, the longer delays at terminals resulting from war conditions and the quality of coal which in some areas particularly has led recently to frequent engine failures and consequent dislocation of traffic. Considering the increasing difficulties under which railways have been working, the statistics of operating efficiency have been fairly well maintained.

The Civil and Military Load.

3. The military operational demands have been met to the satisfaction of the Service Chiefs. The expansion of capacity on the Lines of Communication to Assam has been in excess and in advance of the target and over the rest of the Indian railway system military movements generally have had a high degree of priority which has enabled military programmes, with the inevitable minor hitches, to be carried through. This must be attributed not only to the good work of the Railway and Priority authorities but also to the close co-operation of the Services. A notable example of this is the work of the Panel in Calcutta which regulates not only the military lift to the front but also the civil supplies to Assam and East Bengal. The special thanks of the Railway Department are due to General Lindsell, Principal Administrative Officer, General Headquarters, and his British, Indian and American colleagues for their help and support.

On the civil side essential programmes have on the whole been successfully carried out, though many trade movements of low priority have been of necessity held up. The machinery established by the Priorities Branch of the War Transport Department has functioned with increasing smoothness and efficiency largely owing in the same way to the closer co-operation established with other Departments of the Government of India and with Provincial Governments. Particular mention may be made of the inter-provincial distribution of food grains and sugar in association with the Food Department ; of the distribution of cotton cloth in co-operation with the Textile Commissioner and the Industries and Civil Supplies Department ; and of the movement of timber, iron and steel and cement under arrangements with the Supply Department. In the case of many other major commodities, there has been progress both in distribution and in collection of raw materials combined with economy in transport

by means of zoning and rationalisation. As regards foodstuffs in particular, there were local shortages of particular commodities from time to time in certain areas due to congestion of traffic but these were on a greatly reduced scale owing to the improved system of distribution and the railways can claim with satisfaction that in 1944 nobody in India went short of the necessaries of life because of failure of rail transport.

Coal supplies for the railways have been a continual source of anxiety owing to the low coal raisings. A vigorous campaign of fuel economy has been in force and one of the steps taken has been the closing of numerous stations. On one occasion the curtailment of passenger services for a short period was also necessary. Railway coal stocks are at a dangerously low figure and must be increased. The demand for wagons for coal loading for the year was on a slightly reduced scale and has been a particular cause of watchfulness by the Wagon Interchange Control. Over the year, however, all coal offered was moved. Reduced coal raisings during the later months of the year as usual afforded a temporary chance to catch up arrears of movements of other goods but with the coming of the present good coal raising season, and with heavier demands for traffic and particularly a large increase in military traffic a period of great wagon stringency is likely to ensue this spring and to last at least until substantial deliveries of wagons mature in the second half of the year.

In order to interest the public in the difficulties and achievements of the railways we are holding a Railway Exhibition at New Delhi station in the beginning of March and I hope Hon'ble Members will give it their hearty patronage.

Constructional Work.

4. The magnitude of the work accomplished by the engineering Departments of the railways to increase the line capacity and to supply military depots and airfields is not generally appreciated. Since the war began over 1,400 miles of military sidings have been constructed, 70 miles of permanent and 153 miles of temporary sidings for airfields, 21 miles of new single line and 400 miles of doubling or quadrupling have been completed up to the end of January 1945 and the programme is by no means finished. In addition 198 crossing stations, additional loops at 174 stations, lengthening of loop at 145 stations and remodelling of 30 large station yards have been completed. In all some 3,500 miles of track material have been arranged for including 1,205 miles for overseas so that in spite of the difficulties arising from shortage of materials and labour and the pressure of everyday maintenance work, the engineering departments have succeeded in providing the equivalent of a good sized railway system with a speed and reliability of which, considering the circumstances, they may well be proud.

Passenger Traffic.

5. As foreshadowed last year, the upsurge of passengers has continued. Some 10,000,000 passengers more were carried monthly in 1944 than in 1943 and 25,000,000 more now than in 1942 in spite of the relatively small increase in war activity of which the figures of coal consumption and rail movements of goods are a good index. This fact, coupled with the comparatively large percentage increase in upper and inter-class passenger traffic, demonstrates beyond doubt that apart from military passengers the increase in travel is due to the increased availability of money. The publicity campaign to restrict travel proved largely fruitless and expenditure on this has been heavily reduced. Certain other steps which were discussed by the Central Advisory Council for Railways have been taken, notably the promulgation of a new Defence of India Rule No. 85-C, to provide police help to railway servants to prevent travel on foot-boards, the restriction of travel by Mails and Expresses to journeys of not less than a certain distance, the encouragement of bus services in congested areas, and stricter measures to combat ticketless travel. Special military leave trains have been run to reduce the military demands on the space available for the public and further extension of this practice is under consideration. Vigorous efforts to improve the lighting, fitting, and cleanliness of trains have been and are being made but thefts of fittings have reached phenomenal proportions, any brass work is systematically stolen and the wastage of electric light bulbs is of such dimensions that imports and local manufacture in spite of pressure for priority are unable to meet more than 50 per cent. of our demands, while the intensive use of stock makes it difficult to service the carriages to pre-war standards. Continuous efforts are, however, being made by all railways to improve conditions and we have renewed assurances that the electric bulb supply will soon be on a more satisfactory basis. The only cure for the present congestion is to increase passenger services, but it is impracticable for the railways to apply this remedy effectively owing to the demand for coaching stock for the transport of Armed Forces, the shortage of supplies, particularly of timber, for constructing new coaches, and finally the coal shortage which necessitates the conservation of coal in whatever ways are possible. In spite, however, of the shortage of materials all possible efforts are being made to bring into service every coaching vehicle which can be made to run and to construct more coaching stock, if necessary of inferior war-time specification, in order to relieve the pressure.

Post-War Plans.

6. Good progress has been made with the details of the post-war plans which were discussed by the House during the last Budget Session. A tentative programme of construction of

new railways has been prepared in consultation with Provincial Governments. This can be put into operation at reasonably short notice and will keep the railways occupied for several years. Standards for improved rolling stock and plans for amenities for for third class passengers and staff are being finalised. As regards the manufacture of locomotives and boilers in India, it is hoped to complete the agreement with Messrs. Tatas at an early date and to hand over the Singbhum shops to them on April 1st, 1945. With assistance from the Tata Iron and Steel Works and from the East Indian Railway it is planned to produce 100 boilers within 15 months of that date which, even if not fully achieved, will afford substantial relief owing to the late deliveries of boiler orders from overseas. The lay-out and equipment for the manufacture of locomotives at Kanchrapara under State management are also being finalised and sufficient progress has been made to enable orders for certain heavy machinery to be placed so as to prevent any avoidable delay in commencing manufacture as soon as the works have been remodelled after release from their war functions. Proposals for an overhaul of the rating system and for a regrouping of railways are in hand but nothing useful can be disclosed at the present juncture. A Committee has been set up under the chairmanship of Mr. John Sargent to examine the question of encouraging tourist traffic after the war both by Indians and by tourists from overseas. Generally it is safe to say that railway plans for post-war reconstruction are as well ahead as or in advance of those of any other department of Government.

As regards the question of road-rail competition, Government have very recently had the advantage of a full discussion of the post-war problems at meetings of the Transport Advisory Council and of the Policy Committee on Transport. These bodies were unanimous that effective co-ordination is essential, although there is, naturally, still some difference of opinion, as to the best methods of achieving it. Government are approaching the problem in the post-war period in the light of the advice tendered by those two bodies, and from the point of view of securing the utmost productivity of all forms of transport on a basis of rationalisation with the maximum possible co-ordination between the various transport media. In particular they seek to secure a close co-ordination between railway and road interests, whether the latter be those of road-operating companies or of Provincial Governments who may in future participate in road transport operation. In order to regulate competition, they seek, within the general framework of the Motor Vehicles Act, to secure that control of fares, routes and traffic on roads shall be exercised in accordance with principles to be agreed upon between the Centre and the Provinces, such control to be exercised through Provincial Transport Authorities. A still closer community of interests will be sought, where possible, by the railways negotiating financial

participation in road transport companies where the Provincial Government concerned is prepared that they should do so. In short the Central Government are willing to consider any methods of securing the joint interests of road and rail development and to accommodate the means of co-ordination so far as possible to the policy found to be most suitable to the varying needs of Provinces. This policy appears to be suited to the prevailing conditions and to be best calculated to result in a rational, rapid and prosperous development of internal transport. This would allow for further developments in the direction of the organisation of road transport through public utility corporations should that be accepted by the Central and Provincial Governments of to-morrow as the goal to be aimed at. In the meantime road transport services are being organised to afford relief on congested sections and to encourage movement of essential supplies.

Rolling Stock.

7. The Wedgwood report in 1937 expressed the view that the Indian Railways had an excess of engines. It must be remembered, however, that they were then regarding the problem solely from the point of view of economy in normal peace-time conditions and in pre-war days there was regularly a shortage of rolling stock during the busy season, as the result of maintaining only a minimum stock, which was said to have had some hampering effect on industry. The war has shown that the railways have been much handicapped by the shortage of power and stock. As the result of pre-war economy no less than 29 per cent. of India's locomotives are now over 35 years old, but all serviceable rolling stock has had to be kept in operation, often at a high cost in repairs and in efficiency in order to meet the emergency. As soon therefore as the Japanese aggression showed in 1942 that an increased burden would fall on Indian railways, orders were placed for engines abroad and for wagons in India to the maximum capacity of the Indian wagon industry. As the mounting military load on Indian railways became evident, combined with the heavy wear and tear on existing stock, it became necessary, with the approval of the Standing Finance Committee for Railways and as reported in my last two budget speeches, to increase the orders and, owing to the fact that the Indian wagon industry was already filled to capacity, to place in addition large orders for wagons overseas. The total stock ordered for use in India since 1942 has been 937 broad-gauge engines, 415 metre-gauge engines, 46,734 broad-gauge wagons, 12,481 metre-gauge wagons of which 17,934 broad-gauge and 661 metre-gauge wagons have been ordered in India. The liability for the cost of the metre-gauge engines and wagons is a matter which is still under discussion between the Railway and War Departments. Of these 255 broad-gauge engines, 334 metre-gauge engines, 4,029 broad-

gauge wagons and 8,790 metre-gauge wagons were in service by the middle of January 1945. In addition to this metre-gauge engines and wagons sent overseas from the Indian railways in the early part of the war are now being returned in considerable numbers. It is expected that the whole of the orders from overseas will be in the service by the early part of 1946 and the latest order for 10,000 wagons placed on the Indian industry is now scheduled for delivery in 1946 or early 1947.

The orders placed are by normal pre-war standards immense but so was the emergency which faced Indian railways. It is no secret that the situation has been one of great anxiety for the last two or three years. It has only been by the narrowest of margins and with considerable delays that the railways have succeeded in moving the requirements of the services in addition to the people's food and the raw materials and products of industry. Much less essential traffic has not moved at all. The military load planned for the railways in the ensuing year is higher than ever and for this reason and in order to safeguard essential civil movements, a resolute attempt had to be made to place the rolling stock position on a sound basis. There was, of course, no time for a leisurely purchase in the cheapest market and at the cheapest time. We have to act vigorously. There is no doubt that the timely arrival of metre-gauge engines and wagons played a significant part in the victory of Imphal and the replacements and reinforcements which broad-gauge railways have received, though relatively small hitherto, have just turned the scale in maintaining the civil life of the country. In a few months when wagons come rolling in, we hope to be in a happier position altogether to supply the war-time needs of the country for the movement of goods and subsequently, after making allowance for the necessity for overtaking arrears of maintenance and for a return to more normal operating methods involving better service to the public, to be in a better position to meet also the high hopes for post-war industrial and agricultural expansion. The public will, however, naturally be anxious, with an eye to the future, to know what will be the effect of these deliveries of rolling stock on the Indian locomotive and wagon industries. There is no difficulty in giving an assurance on this point. In the case of locomotives, the deliveries will barely replace the overage locomotives which ought to be scrapped and no provision at all has been made for deliveries of passenger engines so that there is no doubt that there will be plenty of orders available for the new locomotive works which are being established provided funds are conserved for the purpose. In the case of wagons our present orders have had the effect of anticipating future demands to some extent and will provide for some overall increase in our stock, but in the 10 years from 1945-46 an average of 5,400 wagons will become overage each year against an average of 480 which were still

due replacement in the previous 10 years. There therefore appears from the technical aspect to be room from 1947 onwards for wagon orders on the Indian industry in excess of the pre-war average. It will also be necessary to initiate a programme for the reconstruction, to conform to Indian standards, of the wooden bodies of certain stock of war specification received from America and there is the possibility of the wagon builders undertaking the provision of coaching stock of all-steel construction.

Finance of Rolling Stock and War Works.

8. According to the principle adopted in Indian finances, commercial departments of the Government of India bear the full cost of capital assets acquired whether under Lease-Lend terms or otherwise. The Railway Department is not therefore concerned with the arrangements made by the Government of India in the Finance Department with the United States of America. The effect of these large purchases on the finances of the railways must clearly be abnormal, especially since they have been made at war prices and in some cases the stock delivered has been below Indian standards. Fortunately the railways have been and will, we hope, continue to be able, aided by the additional equipment, to offset these abnormal charges by earning abnormal profits which the Government propose to allocate in large part to paying for the abnormal cost of war purchases and the cost of works undertaken for war purposes, costs which would be a charge against the War budget but for the fact that Railways are a commercial department. I will now proceed to describe the special measures which Government have decided to take to bring the above principle into effect.

The amounts expected to be spent on locomotives and wagons in the four years 1943-44 to 1946-47 will be about 94.75 crores. If this expenditure is allocated under the ordinary rules, there would be a debit of 16 crores to capital and of 78¾ crores to the Depreciation Reserve Fund. The figures of expenditure incurred on works are not so striking, but they are, nevertheless, substantial. The application of the ordinary rules would result in some degree of over-capitalisation and a very serious depletion of the Depreciation Reserve Fund, which would be crippled thereby for future renewals programmes, more especially those of the immediate post-war period.

To deal first with the works it has been decided that all works of general traffic utility executed at the instance of the War Department to meet the needs of war-time military traffic will be charged to military estimates and the Railways will pay interest and depreciation at agreed rates subject to the arrangement being reviewed at the end of one year after the war. This arrangement will give a considerable measure of relief to Railway

capital. In addition there are numerous other works such as military sidings, depots, etc., constructed for the sole use of the War Department. The costs of such works are shared between the Railways and the War Department according to certain prescribed code rules. Although the Military sidings, depots, etc., constructed during the war should be treated as temporary the Railway share of the cost, which is estimated at about 3 crores, has been charged to capital. It is now proposed to transfer this expenditure to working expenses in accordance with the principles of allocation of temporary Railway works. As regards other important capital and Depreciation Fund works for purely railway purposes, we propose that 50 per cent. of the expenditure incurred after 1942-43 should be debited to working expenses in view of the high cost of these works resulting from the war. Under this head, we have for the present made a provision of 1.50 crores to cover the expenditure for which particulars are available.

The rolling stock presents a much greater problem both in intricacy and magnitude. We are, however, able to solve this problem by making a change in the rules of allocation as a temporary measure for the period of the war. All rolling stocks will be treated as being on replacement account. Under the existing rules a newly acquired wagon or locomotive is compared with the corresponding unit that is treated as having been replaced. If there is any increase in the capacity of the wagon or in the tractive effort of the locomotive the proportionate cost of such increase is debited to capital. The increases to capacity thus made render some wagons or locomotives superfluous, and their cost at original prices is credited to capital by charge to Depreciation Fund. There may actually be no increase in total capacity but there would be a net debit to capital because on individual unit basis the cost of increases in capacity is charged to Capital at present-day high prices while credit is afforded at original prices. We now propose that a charge to Capital should be raised only when the total capacity of wagons or the aggregate tractive effort of locomotives is increased on any railway after making allowance for difference in estimated lives of the old and the new stock. If under this new rule any debit is involved to capital we propose to apply a suitable formula to write off the element of excess war-time costs by debit to working expenses. Actually under the programmes so far sanctioned there is no increase in the aggregate tractive effort of locomotives while the increase in the aggregate wagon capacity is very small.

In respect of the charge to the Depreciation Reserve Fund we propose with the approval of the Standing Finance Committee to adopt the following measures :—

(*i*) debits to the Fund will be limited to the amount accumulated therein for the items that are treated as replaced ;

(*ii*) the difference between the accumulations in the Fund and the original cost of the items treated as replaced will be found from the Railway Reserve. This difference represents the arrears of depreciation which as provided for by the Convention of 1924 form an appropriate charge on the Railway Reserve ;

(*iii*) the balance will be charged to working expenses.

Summarising the financial results of these proposals in respect of wagons and locomotives, the charge to capital will be about a crore ; that to Depreciation Fund will be reduced from 78¾ to 22 crores ; there would be a withdrawal of Rs. 10¼ crores from the Railway Reserve and a sum of 61½ crores will be debited to working expenses. Adding 3 crores for Military sidings, depots, etc., and 1½ crores for works the particulars of which are available, the total amount that is proposed to be debited to working expenses is Rs. 66 crores of which 24 crores will be accounted for in 1944-45, 30 crores in 1945-46 and 12 crores in 1946-47.

Capital and Depreciation Fund, 1944-45.

9. Having explained this background, I turn to the capital and depreciation expenditure in the current year. When I presented the budget last year I estimated an expenditure of 52.22 crores, 28.7 crores chargeable to capital, 23 crores to the depreciation fund and 52 lakhs to revenue. During the course of the year we arranged to terminate the contract of the Bengal Nagpur Railway by paying 4.8 crores of which 4 crores will be charged to capital and 80 lakhs representing compensation for loss of profits to working expenses. In parenthesis I must observe that the acquisition of the last big Company managed railway by the State is an event which in peace-time would have been a source of more than passing comment, and in war-time has been a notable achievement having regard to the volume of other work. Under suspense we anticipate an increase of 1.85 crores while the estimate for released material is now 1.77 crores against the original expectation of 4 crores. Due to delay in the final settlement with Liquidators of the Bengal and North Western and Pohilkund and Kumaon Railways we expect a bigger throw forward from 1943-44 and the expenditure now expected is 1.25 crores against the budget provision of half a crore. This additional expenditure has been more than counter-balanced by the relief afforded as a result of the measures I have outlined above for the avoidance of over-capitalisation and the protection of the Depreciation Fund. Against the original estimate of 52.22 crores we now expect to spend 56.24 crores, of which 12.3 crores will be charged to depreciation fund, 20.84 crores to revenue, 2.17 crores to railway reserve and 20.93 crores to capital.

Capital and Depreciation Fund, 1945-46.

10. For 1945-46 our total demand for expenditure chargeable to capital and Depreciation Fund is 32 crores of which 22½ crores will be met from the Depreciation Fund. We propose to purchase three Railways—Podanur-Pollachi, Jacobabad-Kashmore and the Dibru-Sadiya—at the aggregate cost of 2.83 crores of which 2.26 crores will be charged to capital. Our works programme is for an expenditure of 15.92 crores. After making a lump sum cut of about 20 per cent. we have provided 12.6 crores, 5.4 crores chargeable to capital and 7.2 crores to depreciation. Our total rolling stock programme for 1945-46 is 72.60 crores, but to provide for throwforwards for the next year we have made a lump sum cut of 25 per cent. leaving the net provision at 54 crores, of which 30 crores will be chargeable to revenue, 5.8 crores to railway reserve, 15.9 crores to depreciation fund and 2.3 crores to capital. Our suspense balance is likely to increase by about 3 crores but we expect a credit of 4 crores, 1½ crores for released materials and 2½ crores for dismantled lines and abandoned assets.

Accounts of 1943-44.

11. I turn now to the income and expenditure of the past, the present and the coming year. Beginning with 1943-44, it was estimated that the year would end with a surplus of 43.77 crores. But the receipts during the last three months proved better by 6.93 crores entirely due to passengers and parcels traffic while our working expences exceeded the revised estimate by eleven lakhs only. The net result was a surplus of 50.84 crores, out of which general revenues received 37.64 crores and railway reserve 13.2 crores.

Revised Estimate for 1944-45.

12. Our estimate of receipts for the current year was 182 crores. Our revised forecast is 214.30 crores. To this increase of 32.30 crores 'Goods' have contributed 6 crores, 'Passengers' 9.36 crores, and 'Other Coaching Traffic' the high figure of 17.4 crores on account of more military specials and of a phenomenal growth in our parcels traffic.

Our budget estimate of gross working expenses including appropriation to the depreciation reserve fund was 114.28 crores. We now expect an expenditure of 147.49 crores. To make a proper comparison with our budget, however, we should exclude a sum of 24 crores, representing adjustments on account of temporary military sidings and of works and rolling stock under the various decisions I have already described, so that our revised estimate exceeds our budget

only by 9¼ crores. This is due mainly to dearness allowance 2.15 crores, additional staff 1.76 crores, more expenditure on repairs and maintenance and stores 2.26 crores, other miscellaneous increases about 3 crores, which includes provision for 25 lakhs for wireless installations and 35 lakhs for road transport services.

Our interest charges would be 94 lakhs less than our budget and our surplus is expected to be 42.01 crores, which is the result of a surplus of 43.81 crores on commercial lines and a loss of 1.8 crores on strategic lines.

Budget, 1945-46.

13. We place our earnings for budget purposes for the next year at 220 crores, which is 5.7 crores above our revised estimate for the current year. They may well be higher dependent upon the character of the traffic but so may the working expenses. It is only possible in war time conditions to budget on the revised estimates of the current year and to make a modest estimate of additional traffic which can be relied upon. Our estimate of ordinary working expenses for the next year is 140.65 crores, out of which 30 crores would, but for the revised procedure introduced for the allocation of rolling stock, have been charged to capital and depreciation fund. There is an adjustment of about 2½ crores on account of dismantled lines and abandoned assets. Other points worthy of mention are that our coal bill will go up by 1.35 crores, our losses on working of grain shops will be 1.39 crores more than this year and our staff charges including dearness allowance at present rates will be 1.32 crores more. We have made a provision of 82 lakhs for road transport services. The appropriation to the depreciation fund will be 17.12 crores, which is 11 lakhs more than this year. Our net miscellaneous receipts are estimated to be 3.77 crores, an increase of 76 lakhs over this year while our interest charges will be 27.39 crores, 42 lakhs less than this year. Our surplus is estimated to be 36.51 crores.

Diposal of Surpluses, 1944-45 *and* 1945-46.

14. I budgeted for a surplus of 42.02 crores for this year of which 31.18 crores was the share allotted to general revenues, after meeting the loss on strategic lines.

Our estimated surplus for the next year is 36.51 crores (a surplus of 38.34 crores from commercial lines less loss of 1.83 crores on strategic lines).

As I have already explained to the House our ordinary working expenses include in 1944-45 a sum of about 24 crores and in 1945-46 a sum of 30 crores which if we had continued to

follow our ordinary rules of allocation would not have been charged to working expenses. To enable the Railways to finance this special liability and bearing in mind the needs of both the General Revenues and Railways, Government propose that the Railway contribution to the General Revenues should be fixed at 32 crores in 1944-45 as well as in 1945-46. With the substantial improvement in our revenue position reinforced by this favourable arrangement with the general revenue we are able to relieve capital of the debit of 15 crores and depreciation reserve fund of 56¼ crores. We, however, have to be content with smaller net contributions to the Railway reserve but this is not a high price to be paid for the effective protection that is ensured for the depreciation reserve fund and the capital account. The arrangement made with the general revenues whereby the contribution is stabilised at 32 crores for two years is subject to review if the actual position next year turns out substantially different from what we are able to forecast now. Next year we shall have the problem of providing ways and means in the budget of 1946-47 for financing the expenditure of 12 crores left over from previous years under the special procedure I have explained to the House, as also any further expenditure which it may be necessary to meet under the principle on which that procedure is based. The basis for sharing the surplus in 1946-47 will be determined in the light of conditions next year with due regard to any further special liabilities which may have to be defrayed from Railway revenue.

After contributing 32 crores in each year to General Revenues we shall therefore credit to the Railway Reserve 10.01 crores in 1944-45 and 4.51 crores in 1945-46.

Railway Reserve.

15. The objects of the Railway Reserve, as laid down by the Convention of 1924, are specifically to form reserves for securing the payment of the percentage contribution to General Revenues, for arrears of depreciation, for writing down and writing off capital and for the improvement of services rendered to the public and the reduction of rates. It is now apparent that there are other specific purposes for which the Reserve might have to be used in particular, (*a*) for covering arrears of maintenance during the war, (*b*) for covering a possible fall in prices in the inflated stores values resulting from high war time prices and (*c*) for the improvement of post-war amenities for the public, particularly third class passengers, and for the staff.

A careful review following the observations of the Railway Convention Committee and of the Public Accounts Committee on the accounts of 1940-41 shows that arrears of maintenance, in particular for ballast renewals, for new minor works which

have been postponed and for maintenance of coaching stock to the extent of 5 crores should be provided for in 1944-45 and that 2 crores yearly should be set aside until such time as conditions make it practicable to resume a normal programme of maintenance. We are not making a special allocation to the Reserve to meet this requirement, but propose that a corresponding amount should be earmarked in the Reserve Fund for arrears of maintenance so that when funds are needed to overtake them it should be possible to seek help from the Reserve in case the revenue position of Railways renders this course necessary.

Stores balances held in suspense account by railways have increased from 10 crores in 1938-39 to 20½ crores in 1943-44 largely owing to the rise in prices and the increased stocks of foodstuffs. It is not feasible to suggest any specific earmarking of reserves to meet the possible consequences of a rapid fall in prices making it desirable to draw on reserves rather than to charge stores at high prices to working expenses but the contingency should not be overlooked.

As regards capital for amenities, this must either come internally from the accumulated resources of railways or be raised as fresh capital. Since such expenditure will not be directly remunerative it is clearly sound finance to build up reserves for this purpose, especially as the other resources of the Government of India for capital expenditure will be under competition from demands for roads, education, health, agriculture and a thousand and one objectives of the post-war development plan.

The Railway Reserve which stood at 22½ crores on March 31st, 1944, is expected, under the present proposals, to stand at 30.4 crores on March 31st, 1945, and 29.1 crores on March 31st, 1946. Of this 7 crores represent the sum earmarked for deferred maintenance. From the point of view of sound railway finance and post-war railway development, it is clear therefore that determined efforts should be made during years of good surpluses thereafter to build up the reserve to a far higher figure.

Depreciation Fund.

16. The Depreciation Fund opened with a balance of 92.3 crores on April 1st, 1944, and is expected to close at 98 crores on March 31st, 1945, and at 92.71 crores on March 31st, 1946. But for the financial measures proposed above it would have been reduced by March 31st, 1946, to some 36 crores which would obviously have been grossly inadequate. The measures taken therefore at least preserve the Depreciation Fund in the neighbourhood of the existing figure, the adequacy of which has been

under consideration by the Railway Convention Committee. In accordance with the recommendation of this Committee a comprehensive enquiry into the lives of the assets was commenced by a special committee under the chairmanship of Mr. Sankara Iyer, who submitted a valuable report but found that, owing to war conditions, a thorough and satisfactory investigation could not be completed. This subject will therefore have to be taken up again at a more convenient time.

Rates and Fares.

17. It is not proposed to make any general increase in rates and fares. I say "general increase" because the House will have observed that we have recently issued a press notice indicating that from February 1st it has been decided to increase port-to-port rates on certain goods in order to bring them into line with the cost of shipment by sea. This has been done purely as a war measure with the object of ensuring that shippers who are forced by the controls to send their goods coastwise by sea shall not be unfairly penalised by the cost of doing so and is designed to make the maximum use of all forms of available transport in the present emergency. If successful, it will mean not an increase but a decrease of earnings to the railways to the extent that goods are diverted to the sea route. It is perhaps proper to emphasise once again that the large earnings have been due in the main to increased efficiency in hauling the large volume of traffic temporarily offering and that railway rates and fares, in spite of the increases in 1940 which were relatively light and totally excluded such things as foodgrains and short distance passenger traffic, stand far below the general level of prices prevailing now or likely to prevail for some years to come. Transport is still cheap though, it must be confessed, not comfortable.

Staff.

18. I have comprehensively surveyed the financial and general position of the railways but have left to the last the most important of all aspects of railway operation, the railwayman himself.

An exceedingly heavy burden is falling on the gazetted officers of the railways. The strain has increased and 150,000 extra men have been added to the railway services, but, owing to the number of officers lent to the Armed Forces and the Supply Department for posts of great importance, the number of experienced officers on the railways is less than before the war even after allowing for a considerable number of extensions of service. It is not generally realised that on the railways there is in any case only 1 officer to about 450 men which is a fraction only of the proportion in the Army and except on the Lines of

Communication it has not been possible so far to obtain reinforcements of trained supervisory personnel. The task of keeping the machine running efficiently and speeding it up is therefore no light one, apart altogether from the extra construction work to which reference has been made and such extraneous work as creating and operating the enormous grain shop organisation. In these difficult circumstances the officers under the leadership first of Sir Leonard Wilson and now of Sir Arthur Griffin have put up a very fine performance. They deserve, and shall get, all the support which Government can give them in their task. As in the case of all Government officers, the relief which they have received to meet war-time living conditions has been small or non-existent, but I can assure them that any further relief which Government may be able to extend to their officers will be shared by the railways and the small relief afforded by cost price canteens will be expanded to the uttermost.

We have fortunately been able to do more for other classes of railway servant. During 1944, the conditions under which they are working have been almost continuously under review. The cost of living did not on the whole rule so high as in 1943: nevertheless relief in cash in the form of a dearness allowance was increased on two occasions in March and in July. On the last occasion, a considerable extension of this relief was sanctioned by giving all non-gazetted staff an allowance of 10 per cent. of their pay, subject to minima which, in some places, is as much as Rs. 18. There was some criticism among the lower paid staff that this extension gave them nothing extra. This was not in fact correct or a fair representation because at the same time the benefits arising out of the grain shops were extended to a point which was calculated to give the lower paid worker an average addition of Rs. 3-8-0 per head. The selling prices at the grain shops were reduced by 10 per cent. so that foodgrains and other miscellaneous necessaries of life for the low-paid worker are being sold at the prices which obtained in the spring of 1942 and the benefits were at the same time extended to a larger number of dependents. Relief so afforded measured by what the worker has to pay at the grain shop compared with what he would have to pay for a similar amount of commodities in the local bazaar is in the region of Rs. 11-8-0. The aggregate relief in cash and in kind is such that workers in the lowest wage ranges have been completely compensated for the rise in the cost of living, so far as that rise can be ascertained with accuracy. This method of relief in kind has other advantages. It affords greatest relief to the man with large domestic liabilities, i.e., it gives most relief where most is required. The worker is moreover free from anxiety in regard to increasing bazaar prices as the grain shop prices are fixed. Finally, the

benefits of inculcating the cash habit among the workers must not be lost sight of. In December 1944, there were 689 grain shops functioning on State-managed Railways selling 1,300,000 maunds per month to over 866,000 ration card holders, so that with their families probably no less than 3½ million individuals were being provided for. The cost of this elaborate system of relief in cash and in kind is already in the neighbourhood of the very large sum of Rs. 20 crores per annum.

The question of granting further relief to Government civilians of all ranks is one which has been having the very close attention of Government and although the relief afforded to non-gazetted railway staff compares well with that of employees of other departments, they will be included in any further extension of benefits and the question will be further discussed with the All-India Railwaymen's Federation in the next few days. As a small but important concession the allotment to the Staff Benefit Funds of the railways is being trebled both this year and next. This will give much needed relief where it is most required for hard cases and will assist in providing amenities for the staff.

Government fully appreciate the difficult conditions under which the men are performing their more than normally arduous duties. The great body of railway servants have worked most loyally in shouldering the immense burden which Indian Railways are now being called upon to bear and will, I am confident, make the tremendous additional effort necessary to tide the country over the next twelve months.

Conclusion.

19. The Indian railways are now almost one hundred per cent. Indian-owned and they are 99¾ per cent. operated by Indians and Anglo-Indians. They are an asset of which India can be proud, but the lessons of the past show that their financial resources must be handled with sedulous care. Government are determined that the mistakes in railway finance made in the last war and commented upon in the Acworth Report shall not be repeated and these proposals are an attempt to face squarely up to all the problems involved. I commend this somewhat unorthodox budget to the House in the firm belief that, if it is adopted, the Indian railways will enter the post-war period, with their war duty to the country faithfully performed, in a fit state technically to cope with the expansion of trade and industry which we all look for, and, if the present policy is continued, in a fit state financially to give a fair chance to the Governments of the future.

Rules and Regulations for the Measurement for tonnage of Cotton and other Goods in bales or packages under the orders of the Bombay Chamber of Commerce.

(*Adopted at a Special General Meeting of the Chamber, held on the 24th September* 1924.)

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods or his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber

of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurement shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurers by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting or the certificate shall be void and the packages shall be re-measured on board, written notice being given by the owner, agent or master of the ship to the Shipper and to the Measurer, respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the measurers.

XVI. The salaries of the Measurers, and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue and from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of Goods for Tonnage by Public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September, 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are substituted.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurements issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement;
(*b*) the name of the shipper;
(*c*) the name of the vessel;
(*d*) the port of destination;
(*e*) the number and description of packages;
(*f*) the marks;
(*g*) the measurement;

and in the case of goods shipped by boat—

(*h*) the registered number of the boat;
(*i*) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in lots of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed; or shippers retarding the work of the Department by failing to move, with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties; or shippers attempting to elude these regulations, any such persons or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom, the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the 24th September 1924 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth shall be taken on the ends, half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under orders (10) and (11) of these orders shall further ascertain how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the vessel authorising the Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre, Twist (white and coloured), Rags, and waste in pressed bales—pies 6 per bale.

(*b*) On Round Timber or Logs—each annas 8.

(*c*) On Gunny bales from Calcutta, Hide and Skins, Piecegoods, and all goods not included under (*a*) and (*b*), packages of divers dimensions—annas 2 per package.

Subject to a rebate of anna one per package on the Measurer's certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel—annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer for one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at the time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in respect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : The mean of two measurements taken with callipers at thickest and thinnest portions.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order (16) (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agent or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each package to be measured, the Measurer shall at

once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can see whether the measurement is correctly taken and shall give to the shipper or the owner, agent or master of a vessel a certificate of the measurement so found and write thereon the words "Protested Certificate. Fee paid Rs. . . . ." and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the "Protested Certificate" and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary, show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slip in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and the third carbon copy; the first carbon copy will be handed to the ship agent's representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside, the said first carbon copy, belonging to the ship's agents, shall be handed to the boatman from whom it should be obtained by the ship's officers.

STATEMENT showing the Total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, etc.

Year ending.	No. of Bales and Packages measured.	Receipts. Rs.	Expenditure. Rs.	Surplus Receipts. Rs.	Excess of Expenditure. Rs.
From 18th May 1870 to 30th Nov. 1872	Not recorded.	52,215	36,315	15,900	..
From 1st Dec. 1872 to 30th Nov. 1873	1,086,577	16,995	15,291	1,704	..
Year ending 30th November 1874 ..	1,402,379	21,707	18,986	2,721	..
Do. 30th November 1875 ..	1,474,470	23,039	22,009	1,030	..
Do. 30th November 1876 ..	1,240,034	19,375	22,355	..	2,980
Do. 30th November 1877 ..	1,101,318	18,324	21,561	..	3,237
Do. 30th November 1878 ..	1,040,961	20,837	23,287	..	2,450
Do. 30th November 1879 ..	1,887,100	28,808	20,140	8,668	..
Do. 30th November 1880 ..	1,163,545	33,219	20,084	13,135	..
Do. 30th November 1881 ..	1,313,592	25,173	24,029	1,148	..
Do. 30th November 1882 ..	1,892,796	33,225	24,757	8,468	..
Do. 30th November 1883 ..	1,852,047	33,792	25,605	8,187	..
Do. 30th November 1884 ..	1,814,986	33,404	22,604	10,800	..
Do. 31st December 1885 ..	1,402,845	29,482	24,385	5,097	..
Do. 31st December 1886 ..	1,748,856	32,893	21,582	11,311	..
Do. 31st December 1887 ..	1,845,446	35,933	20,017	15,916	..
Do. 31st December 1888 ..	1,659,273	36,371	21,057	15,314	..
Do. 31st December 1889 ..	2,156,604	43,042	21,648	21,394	..
Do. 31st December 1890 ..	2,330,935	45,872	23,171	22,701	..
Do. 31st December 1891 ..	2,012,900	39,533	23,402	16,131	..
Do. 31st December 1892 ..	1,946,389	38,017	24,495	13,522	..
Do. 31st December 1893 ..	1,691,755	32,517	24,273	8,244	..
Do. 31st December 1894 ..	1,708,723	33,665	25,156	8,509	..
Do. 31st December 1895 ..	1,679,325	34,921	21,546	13,375	..
Do. 31st December 1896 ..	2,049,862	40,061	22,240	17,821	..
Do. 31st December 1897 ..	1,746,610	33,956	22,484	11,472	..
Do. 31st December 1898 ..	1,910,140	36,174	21,100	15,074	..
Do. 31st December 1899 ..	2,132,663	41,684	21,041	20,643	..
Do. 31st December 1900 ..	1,147,591	28,302	20,844	7,458	..
Do. 31st December 1901 ..	2,947,198	45,497	21,918	23,579	..
Do. 31st December 1902 ..	2,159,823	43,709	26,865	16,844	..
Do. 31st December 1903 ..	2,664,171	53,654	31,522	22,132	..
Do. 31st December 1904 ..	2,292,791	48,673	19,666	29,007	..
Do. 31st December 1905 ..	2,534,599	53,255	21,427	31,828	..
Do. 31st December 1906 ..	2,685,432	54,215	23,516	30,699	..
Do. 31st December 1907 ..	2,976,312	60,171	27,054	33,117	..
Do. 31st December 1908 ..	2,302,349	48,844	29,706	19,138	..
Do. 31st December 1909 ..	2,736,023	57,502	28,310	29,192	..
Do. 31st December 1910 ..	3,163,919	65,853	30,617	35,236	..
Do. 31st December 1911 ..	2,390,016	54,123	34,028	20,095	..
Do. 31st December 1912 ..	2,528,825	55,571	31,953	23,618	..
Do. 31st December 1913 ..	3,127,997	64,049	32,441	31,608	..
Do. 31st December 1914 ..	3,336,685	65,197	36,014	29,183	..
Do. 31st December 1915 ..	3,361,744	73,410	35,002	38,408	..
Do. 31st December 1916 ..	3,409,241	85,407	37,571	47,836	..
Do. 31st December 1917 ..	2,944,353	67,356	41,360	25,996	..
Do. 31st December 1918 ..	1,933,943	73,386	41,640	31,746	..
Do. 31st December 1919 ..	2,910,991	86,189	46,154	40,035	..
Do. 31st December 1920 ..	3,027,873	1,06,901	70,146	36,755	..
Do. 31st December 1921 ..	3,407,858	1,54,071	70,208	83,863	..
Do. 31st December 1922 ..	3,517,691	1,60,333	76,399	83,934	..
Do. 31st December 1923 ..	2,692,835	1,24,179	76,939	47,240	..
Do. 31st December 1924 ..	2,365,531	1,16,002	72,034	43,968	..
Do. 31st December 1925 ..	2,111,055	1,09,375	69,703	39,672	..
Do. 31st December 1926 ..	1,785,602	1,08,621	68,203	40,418	..
Do. 31st December 1927 ..	1,573,756	1,33,382	74,839	58,543	..
Do. 31st December 1928 ..	1,991,021	1,13,092	71,963	41,129	..
Do. 31st December 1929 ..	1,825,481	1,02,578	69,338	33,240	..
Do. 31st December 1930 ..	1,812,795	1,00,015	69,192	30,823	..
Do. 31st December 1931 ..	1,288,522	82,470	62,917	19,553	..
Do. 31st December 1932 ..	985,491	79,726	60,855	18,871	..
Do. 31st December 1933 ..	1,255,823	77,857	57,161	20,696	..
Do. 31st December 1934 ..	1,185,092	76,414	55,958	20,456	..
Do. 31st December 1935 ..	1,312,477	80,997	60,126	20,871	..
Do. 31st December 1936 ..	1,480,674	87,086	60,676	26,410	..
Do. 31st December 1937 ..	1,592,567	1,03,975	67,914	36,061	..
Do. 31st December 1938 ..	1,645,592	1,06,116	79,615	26,501	..
Do. 31st December 1939 ..	1,388,253	93,819	75,999	17,820	..
Do. 31st December 1940 ..	1,519,661	1,12,739	65,480	47,259	..
Do. 31st December 1941 ..	2,269,911	1,85,892	85,228	1,00,664	..
Do. 31st December 1942 ..	2,590,102	2,14,935	1,01,459	1,13,476	..
Do. 31st December 1943 ..	1,583,475	1,47,167	95,786	51,381	..
Do. 31st December 1944 ..	990,351	1,28,690	87,527	41,163	..

Statement showing the Total Measurement and weighment of Bales and Miscellaneous Packages, with Receipts for the years 1923 to 1944.

Years.	Nett Bales certified Measurement.		Nett Miscellaneous Articles.		Nett Weighment Packages.		Nett Round Logs.		Extra Fees.	Nett Totals.	
	Number of Bales.	Nett Fees.	Number of Packages.	Nett Fees.	Number of Packages.	Nett Fees.	Number of Logs.	Nett Fees.	Amount.	Packages.	Nett Fees.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.	Rs. a. p.		Rs. a. p.
1923..	2,024,508	63,265 14 0	668,323	57,951 2 3	..	..	4	2 0 0	2,960 7 6	2,692,835	1,24,179 7 9
1924..	1,723,813	53,869 2 6	641,718	58,174 5 9	..	..	..	..	3,958 14 0	2,365,531	1,16,002 6 3
1925..	1,579,403	49,356 5 6	531,652	55,700 2 6	..	..	..	..	4,318 7 6	2,111,055	1,09,374 15 6
1926..	1,254,587	39,205 13 6	531,015	63,323 9 0	..	..	..	..	6,091 7 6	1,785,602	1,08,620 14 0
1927..	996,512	31,141 0 0	577,244	68,542 0 0	..	..	..	..	33,699 10 0	1,573,756	1,33,382 10 0
1928..	1,480,555	46,267 5 6	510,388	60,803 15 0	..	..	78	39 0 0	5,981 6 0	1,991,021	1,13,091 10 6
1929..	1,328,917	41,528 10 6	496,505	58,565 3 0	..	..	59	29 8 0	2,455 0 6	1,825,481	1,02,578 6 0
1930..	1,365,626	42,675 13 0	447,169	51,784 15 0	..	..	..	..	5,554 7 6	1,812,795	1,00,015 3 6
1931..	882,510	27,578 7 0	406,012	47,149 1 0	..	..	..	..	7,743 1 0	1,288,522	82,470 9 0
1932..	487,331	15,229 1 6	498,160	56,297 1 0	..	..	..	..	8,199 15 0	985,491	79,726 1 6
1933..	834,305	26,072 0 6	421,518	46,986 4 0	..	..	..	..	4,799 2 6	1,255,823	77,857 7 0
1934..	738,590	23,080 15 0	446,502	51,297 12 0	..	..	..	..	2,035 4 0	1,185,092	76,413 15 0
1935..	861,868	26,933 6 0	450,609	51,453 10 0	..	..	..	..	2,610 6 6	1,312,477	80,997 6 6
1936..	1,003,105	31,347 0 6	477,562	54,601 2 0	..	..	7	3 8 0	1,134 8 6	1,480,674	87,086 3 0
1937..	890,184	27,818 4 0	589,709	66,567 4 0	112,659	6,953 11 0	15	7 8 0	2,628 3 0	1,592,567	1,03,974 14 0
1938..	771,860	24,120 10 0	502,612	57,301 3 0	371,120	22,882 8 0	..	..	1,812 4 6	1,645,592	1,06,116 9 6
1939..	690,835	21,588 9 6	500,526	57,034 10 0	196,887	12,166 6 0	5	2 8 0	3,027 5 0	1,388,253	93,819 6 6
1940..	646,462	20,201 15 0	674,508	74,724 12 0	198,589	12,171 2 6	102	17 4 0	5,624 2 6	1,519,661	1,12,739 4 0
1941..	585,399	18,293 11 6	1,408,357	140,141 14 0	276,155	15,505 0 6	..	..	11,951 6 0	2,269,911	1,85,892 0 0
1942..	674,587	21,080 13 6	1,737,015	172,331 10 6	178,500	17,301 3 6	..	..	4,220 14 6	2,590,102	2,14,934 10 0
1943..	286,017	8,938 0 6	1,265,373	133,468 15 0	32,085	3,113 11 0	..	..	1,646 12 0	1,583,475	1,47,167 6 6
1944..	282,723	8,835 1 6	684,162	113,698 5 0	23,466	4,841 9 6	..	..	1,315 0 0	990,351	1,28,690 0 0

FINANCIAL STATISTICS.

RESERVE BANK OF INDIA

Balance Sheet as at 30th March 1945

ISSUE DEPARTMENT

LIABILITIES.	Rs.	ASSETS.	Rs.
Notes held in the Banking Department ..	9,77,76,000	Gold Coin and Bullion—	
		(*a*) Held in India	44,41,43,000
Notes in Circulation	1,084,88,19,000	(*b*) Held outside India	....
		Sterling Securities	978,32,89,000
		Rupee Coin	14,07,44,000
		Government of India Rupee Securities	57,84,19,000
		Internal Bills of Exchange and other Commercial Paper	....
Total Rs. ..	1,094,65,95,000	Total Rs. ..	1,094,65,95,000

BALANCE at the credit of the Government of India in the Reserve Bank of India on 31st March
(In Lakhs of Rupees 00,000s omitted).

1936	1,142	1941	1,357
1937	1,285	1942	1,515
1938	1,772	1943	1,741
1939	1,666	1944	8,349
1940	1,565		

	Official year 1943-44. Rs.	Official year 1942-43. Rs.	Official year 1941-42. Rs.
COINAGE OF SILVER IN INDIA—(Bombay, Calcutta and Lahore Mints)—			
Whole Rupees	7,47,00,636	21,16,00,001	25,05,00,002

NET PROFIT ON COINAGE (Nickel, Bronze and Copper) for the year 1943-44 .. .. Not Received

	Rs.
AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March 1934 ..	8,16,29,300
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1935 ..	8,48,36,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1936 ..	7,91,99,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1937 ..	7,74,08,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1938 ..	7,63,18,000
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1939 ..	7,55,28,150
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1940 ..	5,44,65,550
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1941 ..	5,38,36,550
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1942 ..	2,05,78,550
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1943 ..	2,01,62,750
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1944 ..	1,95,97,950
,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, 1945 ..	1,91,58,550

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway open.

Year ending 31st March.	Total Miles of Railway open.	Imports.			Exports.		
		Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1878	8,217	41,46,41,851	17,35,54,596	58,81,96,447	65,22,23,282	2,21,09,956	67,43,33,238
1879	8,494	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880	9,162	41,17,25,671	11,65,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881	9,890	53,08,68,074	8,99,72,139	62,08,40,213	74,54,09,072	1,44,04,408	75,98,13,480
1882	10,149	49,11,28,724	11,32,27,804	60,43,56,528	81,96,64,102	1,09,97,468	83,06,61,576
1883	10,458	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84,52,67,860
1884	11,631	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885	12,283	55,70,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886	12,892	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,693	1,10,82,310	84,96,94,603
1887	14,103	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888	14,576	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,46,242	92,14,82,700
1889	15,887	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890	16,401	69,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891	17,308	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892	17,815	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893	18,504	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894	18,900	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895	19,547	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,101	8,22,60,717	1,17,15,51,818
1896	20,254	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897	21,115	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898	22,040	73,63,43,159	20,53,06,170	94,16,49,329	97,63,51,802	7,14,86,470	1,04,78,38,272
1899	23,523	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900	24,752	75,30,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324
1901	25,363	80,89,40,873	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902	25,931	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903	26,956	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707

1904 ..	..	*27,565*	*92,59,22,723*	*38,52,61,072*	*1,31,11,83,795*	*1,53,51,71,599*	*15,04,38,811*	*1,68,56,10,410*
1905 ..	..	28,295	1,04,41,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ..	..	29,097	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ..	..	30,010	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ..	..	30,576	1,36,53,80,464	42,28,44,977	1,78,82,25,441	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ..	..	31,490	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ..	..	32,099	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911 ..	..	32,839	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ..	..	33,484	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913 ..	..	34,656	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
1914 ..	..	34,656	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
1915 ..	..	35,285	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
1916 ..	..	35,833	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8,22,57,819	2,07,70,61,794
1917 ..	..	36,286	1,60,24,89,599	38,45,26,695	1,98,70,16,294	2,47,37,74,815	6,41,72,070	2,53,79,46,885
1918 ..	..	36,333	1,64,35,48,949	51,76,43,160	2,16,11,92,109	2,44,90,40,505	7,54,39,185	2,52,44,79,690
1919 ..	..	36,616	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
1920 ..	..	36,735	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
1921 ..	..	37,029	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
1922 ..	..	37,266	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
1923 ..	..	37,618	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
1924 ..	..	38,039	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
1925 ..	..	38,270	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
1926 ..	..	38,580	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
1927 ..	..	39,048	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
1928 ..	..	39,712	2,61,52,38,665	34,89,53,529	2,96,41,92,194	3,30,26,37,283	3,13,60,896	3,33,39,98,179
1929 ..	..	40,950	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
1930 ..	..	41,723	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
1931 ..	..	42,281	1,73,09,08,307	26,86,34,373	1,99,95,42,680	2,26,51,21,864	4,00,08,598	2,30,51,30,462
1932 ..	..	42,813	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590
1933 ..	..	42,961	1,35,01,76,054	2,99,13,188	1,38,00,89,242	1,35,93,34,109	70,66,15,528	2,06,59,49,637
1934 ..	..	42,953	1,17,30,45,422	1,96,15,215	1,19,26,60,637	1,51,17,15,209	65,56,63,908	2,16,73,79,117
1935 ..	..	43,021	1,34,58,25,058	5,19,17,165	1,39,77,42,223	1,55,49,71,644	63,50,46,139	2,19,00,17,783
1936 ..	..	43,118	1,36,76,36,945	7,44,88,569	1,44,21,25,514	1,64,59,67,984	45,66,88,147	2,10,26,56,131
1937 ..	..	43,128	1,27,72,13,251	15,50,89,994	1,43,23,03,245	2,02,48,94,884	30,20,40,314	2,32,69,35,198
1938* ..	..	41,076	1,77,22,08,967	4,71,24,768	1,81,93,33,735	1,89,76,39,162	19,76,70,257	2,09,53,09,419
1939* ..	..	41,534	1,55,55,32,005	3,24,36,026	1,58,79,68,031	1,69,83,11,805	15,19,54,275	1,85,02,66,080
1940* ..	..	41,156	1,68,96,13,528	6,64,41,915	1,75,60,55,443	2,15,95,10,828	40,79,57,074	2,56,74,67,902
1941* ..	..	41,052	‡1,56,96,88,235	....	....	‡1,98,71,57,790	....	....
1942* ..	..	40,477	‡1,73,14,82,062	....	....	‡2,52,88,47,590	....	....
1943* ..	..	40,525	‡1,10,44,57,020	....	....	‡1,94,70,01,747	....	....
1944* ..	..	40,512	‡1,18,85,35,243	....	....	‡2,10,16,55,813	....	....

* Exclusive of Burma due to separation.

† Imports and Exports of Government Stores and Treasure not available.

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 *to* 1923.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	620,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	797,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,419	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,701	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,983,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,333,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the Calendar Years 1892 to 1923—continued.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,732	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,233	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,329
1922	628,674	75,326	2,307,369	464,045	610,412	1,000	525,031
1923	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198
Exports of Cotton Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay, by Sea to all Foreign Countries during the Years 1924 to 1944.							
1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	80,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	39,838	415,725	97,553	729,169
1930	2,755,604	41,532	2,110,422	13,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	18,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374
1933	1,545,511	57,388	3,298,611	49,677	305,965	25,937	709,041
1934 .. .. †	1,713,319	41,329	3,229,879	69,178*	143,941	24,865	617,732
1935	1,633,888	48,036	1,222,517	43,854*	11,230	30,088	702,840
1936	2,153,096	34,789	3,329,916	52,145*	85,023	46,884	655,634
1937	1,779,985	38,033	2,086,453	53,742*	250,228	50,131	623,774
1938	1,535,838	33,350	3,334,933	46,674*	83,175	40,738	549,023
1939	1,619,859	51,477	2,593,561	42,988*	45,114	45,962	770,253
1940	1,368,584	17,626	2,063,025	96,737*	31,389	44,005	553,826
1941	704,383	32,253	2,291,457	34,227*	45,067	83,287	263,262
1942	280,316	16,711	2,619,082	16,731*	161,737	2,537	254,308
1943	205,336	9,519	494,101	13,295*	113,013	311	101,126
1944	192,876	21,388	1,073,870	3,249*	17,504	*A.*	89,456

* Inclusive of Mustard Seed. † Includes Cotton exported to Calcutta and Coast Ports.
A Exports of wheat not available.

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piecegoods and Yarns since 1908.

Year ending 31st Dec.	Grey and White Piecegoods.			Coloured Piecegoods.		Total Piecegoods.			Yarns.	
	Packages	Yards.	Lbs.	Packages.	Yards.	Packages.	Yards.	Lbs.*	Bales.	Lbs.
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,074	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,289,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,807	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	199,968,079	58,350,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,063,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,310,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,710	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106,748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,066	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,253
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310
1933	209,259	590,535,659	78,065,873	58,052	87,899,698	267,311	478,435,357	119,608,839	112,059	43,557,629
1934	229,024	414,324,303	86,762,142	65,728	94,046,841	294,752	508,371,144	127,092,786	94,853	37,126,195
1935	216,300	383,877,416	76,775,483	55,416	81,771,947	271,716	465,649,363	116,412,340	88,088	34,626,637
1936	243,834	442,916,172	88,583,234	58,167	84,883,124	302,001	527,799,296	131,949,824	80,995	31,337,340
1937	263,665	406,706,851	81,341,332	98,229	105,542,821	361,894	512,249,672	128,062,418	99,726	33,158,260
1938	222,819	497,943,219	99,588,644	68,733	90,598,739	291,552	588,541,998	147,135,499	133,719	53,845,533
1939	214,894	402,959,694	80,591,939	74,921	89,945,061	289,815	492,904,755	123,226,189	101,524	39,757,666
1940	201,513	302,405,778	60,481,156	115,362	160,859,627	316,875	463,265,405	115,816,351	94,721	35,675,019
1941	296,697	419,784,283	83,956,857	226,989	324,513,230	523,686	744,297,513	186,074,378	158,184	61,449,881
1942	390,241	552,134,680	110,426,936	290,590	417,484,050	680,831	969,618,730	242,404,682	150,350	55,111,582
1943	304,381	431,793,523	86,358,704	139,402	191,003,543	443,783	622,797,066	155,699,266	50,543	18,203,572
1944	330,102	275,700,063	55,140,013	140,275	114,795,649	470,377	390,495,712	97,623,928	68,171	12,389,517

* The weights have been arrived at by dividing the length in yards by 4.00 the average weight of the Grey and Bleached Cloth.

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the Imports of Coal into Bombay by Sea and Rail in the years 1938 to 1944 is printed for the information of members :—

From	1938.	1939.	1940.	1941.	1942.	1943.	1944.
By Sea.	Tons.	Tons.	Tons	Tons.	Tons.	Tons.	Tons.
Europe	9,611	200	1,422	400	..	..	..
Australia	..	..	..	..	..	..	..
Japan	98	..	..	..	..	..	..
Africa	14,552	17,006	410	1,090	5,850	..	..
Other Foreign Countries	..	285	45	..	..	..	..
Indian Ports	341,951	412,053	41,942	3,495	35,605	33,322	4,955
Total—By Sea ..	366,212	429,544	43,819	4,985	41,455	33,322	4,955
Total—By Rail ..	167,845	232,294	623,446	*774,069	*768,984	*610,359	*545,697
Grand Total ..	534,057	661,838	667,265	*779,054	*810,439	*643,681	*550,652

*Arrivals over the Bombay Port Trust Railway are not included.

WHEAT.

The total area reported for the season 1943-44 was 33,651,000 acres as against 34,014,000 acres the previous year, or a decrease of 363,000 acres or 1.1 per cent. The total yield of the crop was estimated at 9,851,300 tons as compared with 10,935,000 tons the previous year or a decrease of 1,083,700 tons or 9.9 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1892-93 to 1943-44 :—

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1892-93	27,759	7,649
1893-94	28,717	7,269
1894-95	28,422	6,999
1895-96	24,071	5,380
1896-97	20,580	5,363
1897-98	24,538	7,208
1898-99	25,370	6,838

WHEAT STATISTICS—*contd.*

Years	Area (in thousand Acres).	Outturn (in thousand Tons).
1899-1900	18,688	5,357
1900-01	23,868	7,094
1901-02	23,446	6,091
1902-03	23,433	7,971
1903-04	28,413	9,641
1904-05	28,470	7,582
1905-06	26,296	8,579
1906-07	28,536	8,159
1907-08	22,806	6,104
1908-09	26,068	7,598
1909-10	28,018	9,591
1910-11	30,490	10,041
1911-12	31,141	9,925
1912-13	29,524	9,715
1913-14	28,475	8,358
1914-15	32,475	10,091
1915-16	30,320	8,652
1916-17	32,940	10,234
1917-18	35,487	9,922
1918-19	23,798	7,508
1919-20	29,949	10,122
1920-21	25,783	6,706
1921-22	28,207	9,830
1922-23	30,844	9,982
1923-24	31,181	9,660
1924-25	31,774	8,866
1925-26	30,471	8,696
1926-27	31,303	8,973
1927-28	32,193	7,791
1928-29	31,973	8,591
1929-30	31,654	10,469
1930-31	32,189	9,305
1931-32	33,803	9,024
1932-33	32,970	9,449
1933-34	35,992	9,414
1934-35	34,490	9,728
1935-36	33,639	9,420
1936-37	33,215	9,752
1937-38	35,640	10,764
1938-39	35,441	9,963
1939-40	34,009	10,767
1940-41	34,849	10,027
1941-42	33,914	9,990
1942-43	34,014	10,935
1943-44*	33,651	9,851

*Subject to revision.

Estimate of the Wheat Crop of the Season 1943-44. Share of each Province and State of Area and Yield for 1942-43 and 1943-44. (000's omitted).

Provinces and States.	Area (in Acres).			Yield (in Tons).			Increase or Decrease in the Current year over (Per cent.)				Yield per Acre. (Lbs.)	
							Area.		Yield.			
	Current Year 1943-44.	Previous Year 1942-43.	Average of preceding 5 years.	Current Year 1943-44.	Previous Year 1942-43.	Average of preceding 5 years.	Previous Year 1942-43.	Average of preceding 5 years.	Previous Year 1942-43.	Average of preceding 5 years.	1943-44.	1942-43.
British Provinces.												
Punjab	9,019	10,284	9,786	3,598	4,056	3,586	— 3.5	+ 1.4	—11.3	+ 0.3	813	883
United Provinces	7,672	(b)7,546	8,014	2,525	(b)2,685	2,841	+ 1.7	— 4.3	— 6.0	—11.1	737	797
Central Provinces and Berar	2,611	(b)2,544	3,198	370	(b) 511	585	+ 2.6	—18.4	—27.6	—36.8	317	450
Bombay	1,547	(b)1,329	1,739	251	(b) 238	304	+16.4	—11.0	+ 5.5	—17.4	363	401
Sind	1,425	1,333	1,143	446	(b) 443	339	+ 6.9	+24.7	+ 0.7	+31.6	701	742
Bihar	1,221	1,280	1,145	453	581	426	— 4.6	+ 6.6	—22.0	+ 6.3	831	1,017
North West Frontier Province	982	1,114	1,018	249	273	247	—11.8	— 3.5	— 8.8	+ 0.8	568	549
Bengal	192	179	170	51	53	42	+ 7.3	+12.9	— 3.8	+21.4	595	663
Delhi	55	50	46	13	12	15	+10.0	+19.6	+ 8.3	—13.3	520	538
Ajmer Merwara	27	23	15	10	7	5	+17.4	+80.0	+42.9	+100.0	830	682
Orissa	7	4	4	2	1	1	+75.0	+75.0	+100.0	+100.0	640	560
Total British Provinces.	25,658	(b)25,686	26,278	7,968	(b)8,860	8,391	— 0.1	— 2.4	—10.1	— 5.0	696	773
Indian States.												
Punjab States	1,636	1,737	1,527	554	649	490	— 5.8	+ 7.1	—14.6	+13.1	759	837
United Provinces State (Rampur)	115	(b) 121	112	32	(b) 39	32	— 5.0	+ 2.7	—17.9	..	623	722
Eastern Agency States *	75	71	75	12	11	13	+ 5.6	..	+ 9.1	— 7.7	358	347
Bombay States	429	364	387	106	105	105	+17.9	+10.9	+ 1.0	+ 1.0	553	646
Sind State (Khairpur)	128	125	97	41	40	32	+ 2.4	+32.0	+ 2.5	+28.1	717	717
Central India States	1,967	2,034	2,169	241	(b) 334	369	— 3.3	— 9.3	—27.8	—34.7	274	368
Gwalior State	1,334	1,329	1,509	347	319	357	+ 0.4	—11.6	+ 8.8	— 2.8	583	538
Rajputana State	1,507	(b)1,494	1,285	419	(b) 398	353	+ 0.9	+17.3	+ 5.3	+18.7	623	597
Hyderabad State	696	964	1,180	77	138	158	—27.8	—41.0	—44.2	—51.3	248	321
Baroda State	102	(b) 86	81	54	41	28	+18.6	+25.9	+31.7	+92.9	1,180	1,068
Mysore State	4	3	3	(a)	1	1	+33.3	+33.3	..	..	108	747
Total Indian States.	7,993	(b)8,328	8,425	1,883	(b)2,075	1,938	— 4.0	— 5.1	— 9.3	— 2.8	528	558
Grand Total	33,651	(b)34,014	34,703	9,851	(b)10,935	10,329	— 1.1	— 3.0	— 9.9	— 4.6	656	720

* Formerly Central Provinces States. (a) 300 Tons. (b) Revised.

COTTON 1943-44.

The preliminary Government forecast issued at the end of August 1943 and relating to about 60 per cent. of the total cotton area indicated an acreage of 10,610,000 acres as compared with 11,089,000 acres at the corresponding time the year previous, a decrease of 4 per cent.

The final estimate issued in a supplementary memorandum at the end of April 1944 for the whole of India was 20,398,000 acres as compared with 19,203,000 acres (revised) for the season 1942-43, an increase of 6 per cent.

Government estimated the final yield at 5,078,000 bales as compared with 4,702,000 bales (revised) for the season 1942-43, an increase of 8 per cent. Private estimates based on actual pressings plus offtake in loose condition were higher by about 7 lakhs bales.

The following figures show the movement of cotton through Bombay during the season 1943-44 :—

		Bales.
Stocks on 1st September 1943, as estimated by the East India Cotton Association, Ltd.		1,171,834
Arrivals by Rail and Sea during the year ending 31st August 1944		1,878,494
Arrivals by Road as estimated by the East India Cotton Association, Ltd.		5,896
		3,056,224
Exports during the year ending 31st August 1944 :		
Indian Ports	123,799	
Foreign Countries	65,924	
		189,723
Exports by Rail, estimated		390,507
		580,230
Bombay mill consumption		1,451,980
		2,032,210
*Estimated carry-over on 31st August 1944		1,024,014
		3,056,224

*The East India Cotton Association, Ltd., estimated the stock on 31st August 1944 as 1,082,463 bales.

Too much cotton, smaller mill consumption, a moderate demand from mills, appreciable price decline and purchases of cotton for Government account were the important features of the cotton trade during the period under review.

During the cotton season 1942-43 a reduction of 22 per cent. in cotton acreage in favour of food crops, a very moderate sized cotton crop of 48 lakhs bales, as against 69 lakhs bales produced in 1941-42, and large-scale purchases of Indian cotton by mills, helped the cotton trade greatly to tide over a difficult period in the history of Indian cotton. The season 1943-44 which came to a close on 31st August 1944, however, was in marked contrast to the previous season. Despite Government efforts to bring about a further reduction in cotton acreage or at least to keep the acreage to the 1942-43 level, there was an increase of 6 per cent. Due to the increase in acreage and as a result of bumper yields in the Gujerat and Kathiawar districts the final production reached the high figure of 57½ lakhs bales or nearly a million bales more than the crop produced in 1942-43. All India mill consumption and exports for the 12 months ending 31st August 1944, absorbed a total of 45¾ lakhs bales. The surplus went to swell the carry-over in India, which at the end of season 1943-44 reached the record high figure of 41 lakhs bales. In pre-war times the carry-over in India used to be around 1 million bales. Until the re-opening of the export markets the large carry-over will prove a drag on the Indian market.

The Bombay hedge contracts which were closed down on 19th May 1943, did not re-open till the end of October 1943. The contract actually opened on 28th October at Rs. 471 for the January position and after touching Rs. 479 the same day it gradually worked downwards until it reached Rs. 436 on 20th November 1943. Sentiment in the Bombay market was bearish during the first twenty days in November, mill enquiry being very moderate. Thereafter as a result of firm up-country rates, absence of hedge selling and generally improving sentiment, hedge contracts as well as the ready market gained strength. From the lowest level touched on 20th November 1943 the contract improved steadily, with minor fluctuations, until it reached Rs. 477 on 14th December 1943. After a swing back to Rs. 460½ on 18th December 1943, the January position closed at Rs. 480 on 31st December 1943.

At the beginning of January 1944, the Indian cotton contract was traded at Rs. 476/484 for the March and Rs. 477/485 for the May positions respectively. During the whole of January the market was steady and fluctuations were narrow. Some improvement in sentiment was temporarily noticeable towards the end of January on the Indian Central Cotton Committee's recommendation to Government to raise the floor price of the Indian

Cotton Contract from Rs. 400 to Rs. 500 per candy. But nothing came out of this recommendation. By the middle of February the March contract had declined to Rs. 461½ and May to Rs. 457. When the movement of the crop in the Broach and Surti districts was gaining in volume, the hedge pressure on the contract increased. Mill demand was very moderate and not enough to sustain the market. Prices in consequence had to give way further. The decline at the beginning of March was very sharp; on 4th March the March and May contracts were traded at Rs. 440 and Rs. 442 respectively, having registered a decline of Rs. 40 per candy since the beginning of January. During the rest of the month the contracts were more or less steady but the Broach/Surti crop movement was forcing down the ready market still further. The Broach basis first declined by about Rs. 30 early March and after a partial recovery on temporarily somewhat better ready demand dropped further by another Rs. 20 to Rs. 30 per candy during the fourth week of the month. Other cotton descriptions were affected to a varying extent. Most of them, including the short staple desi varieties, quoting on 31st March Rs. 40 to Rs. 60 per candy lower than a month before. At this time sentiment was turning unduly bearish. Merchants and factory owners in the Broach districts, extremely bullish a year ago, were absolutely unwilling to hold cotton this season. The beginning of April witnessed a further sharp decline in the price of the Indian cotton contract and the decline continued throughout the month. At the end of April the May and July contracts were traded at Rs. 421 and Rs. 437 respectively. The decline was chiefly affecting the May position on account of the weakness of the ready market. Absence of mill demand was the main cause preventing any improvement in sentiment.

The Government having given an assurance to the trade that they would buy cotton if and when the Indian cotton contract touched the floor price of Rs. 400 per candy, the time had now come for Government to implement their undertaking. Although the original buying scheme was to be put into operation on the contract touching Rs. 400, the Government bought outside their main scheme when the July position of the contract touched Rs. 420. This was found necessary on account of the heavy decline that was taking place in the price of the various varieties of cotton in the ready markets. In the beginning Government started buying up-country Broach cotton of ¾" staple length and Comptah cotton in the Hubli market. These small sized purchases for Government account made in the inland markets were, however, found to be insufficient to prevent further declines in prices due to large crops and heavy selling pressure. The Indian cotton contract continued to decline further and the July position touched the floor price of Rs. 400 on 20th June 1944. At this

stage the main Government buying scheme was put into force. By the end of June Government had purchased in all about 170,000 bales. These purchases had a steadying effect on the market and prices improved to some extent.

Opening at Rs. 431 on 1st July, the Indian cotton contract for the September position declined gradually during the first 12 days to Rs. 412¼ in anticipation of lower floor prices for the 1944-45 crop, good rainfall reports from up-country, and the temporary suspension of Government's main buying plan. On 12th July rumours of peace negotiations in Europe caused a sudden upturn to Rs. 424 with the best part of the advance, however, lost again the same day. A week of steady but featureless trading around Rs. 416 followed. Some lively trading with a rise of about Rs. 10 per candy was witnessed on 22nd July in expectation of early peace following the attempt on Hitler's life, Japanese Cabinet changes and favourable war news, when I.C.C. September again touched Rs. 424. The spurt was short lived. Subsequently an easy tone prevailed and on 31st July the September contract closed at Rs. 414.

While important developments took place on the war fronts, August was an uneventful month in the cotton market. The hedge contract opening at Rs. 414 gradually receded to the floor price of Rs. 400, which was touched on 26th August, and stayed there for the rest of its duration. Discretionary Government purchases resumed on I.C.C. September, breaking through the Rs. 410 level on the 5th of August were small, but some big purchases followed the resumption of the main buying plan on 26th August. About 25,000 bales were passed by the Bombay *Ad Hoc* Committee for Government account during August. During the whole season Government bought in all about 3 lakhs bales in the Bombay, Karachi and inland markets.

The following table gives details of arrivals into Bombay by Sea and Rail (arrivals by Road are not included) during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1943-44.	1942-43.	1941-42.	1940-41.	1939-40.	1938-39.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandeish	61,592	117,165	88,592	100,995	55,644	38,888
Central India	59,783	55,637	31,284	149,983	109,361	225,421
Barsi Nugger	50,934	42,142	55,617	125,098	114,118	96,307
Hyderabad Gaorani	15,259	21,369	19,245	50,854	48,009	4,474
Berar	257,393	207,968	179,814	386,742	312,618	163,102
Central Provinces	51,048	34,409	87,565	78,308	76,962	40,080
Dhollera	70,051	36,897	34,832	102,458	89,297	278,134
North-west Provinces	811	1,377	1,425	2,049	26,079	10,893
Rajputana	1,082	44	470	6,778	35,228	82,019
Sind Punjab	410,414	779,428	448,957	578,393	387,570	340,866
Broach	334,624	126,986	321,774	299,943	409,044	415,085
Compta-Dharwars	41,322	89,597	54,332	155,178	53,357	155,706
Westerns/Northerns	11,238	23,082	48,003	113,567	38,178	99,914
Cocanada	....	....	....	239	86	98
Tinnevelly and Cambodia	1,208	15,587	21,873	16,998	1,412	2,677
Soudan	82,466	37,405	144,401	175,296	71,839	66,471
Americans	....	....	....	2,160	105,532	3,487
Egyptians (other than Soudan) ..	238,439	330,716	117,329	195,525	108,273	91,869
Africans, East	188,118	134,578	296,871	295,292	196,543	238,889
Comilla, Burmah and other Sorts ..	** 2,712	* 1,084	† 11,426	‡ 1,087	§ 2,807	¶ 267
Total ..	1,878,494	2,055,471	1,963,810	2,836,943	2,247,957	2,354,647

** Including 211 bales from Shalimar.
* Including 507 bales from Shalimar.
† Including 51 bales from Iran, 825 bales from Iraq and 698 bales from Shalimar.
‡ Consisting of 311 bales of Burmah and 776 bales of Shalimar cotton.
§ Consisting of 357 bales of Calcutta and Shalimar cotton, 2,420 bales of Iraq and 30 bales of Aden cotton.
¶ Consisting of 3 bales of Burmah, 4 bales of China and 260 bales of Calcutta cotton.

RECEIPTS at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864.

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.		
1864 ..	..	867	3	870	American War. In 1863 and 1864 Bombay imported Cotton from China.	
1865 ..	..	1,065	1	1,066		
1866 ..	..	1,187	14	1,201	42	1,243
1867 ..	..	1,277	5	1,282	46	1,328
1868 ..	..	1,030	48	1,078	47	1,125
1869 ..	..	1,225	56	1,281	48	1,329
1870 ..	..	1,115	50	1,165	49	1,214
1871 ..	..	967	39	1,006	50	1,056
1872 ..	1,085	1,002	48	1,050	52	1,102
1873 ..	1,151	1,079	34	1,113	53	1,166
1874 ..	978	917	34	951	67	1,018
1875 ..	1,311	1,192	25	1,217	83	1,300
1876 ..	1,345	1,285	20	1,305	135	1,440
1877 ..	1,073	980	35	1,015	147	1,162
1878 ..	1,141	920	38	958	161	1,119
1879 ..	961	800	46	846	204	1,050
1880 ..	832	652	64	716	181	897
1881 ..	1,171	874	34	908	220	1,128
1882 ..	1,832	1,521	87	1,608	277	1,885
1883 ..	1,770	1,335	95	1,430	313	1,743
1884 ..	1,759	1,295	100	1,395	348	1,743
1885 ..	1,139	791	70	861	392	1,253
1886 ..	1,480	1,009	61	1,070	391	1,461
1887 ..	1,703	1,147	40	1,187	454	1,641
1888 ..	1,472	893	58	951	500	1,451
1889 ..	1,851	1,286	46	1,332	565	1,897
1890 ..	2,235	1,488	71	1,559	636	2,195
1891 ..	2,020	1,070	107	1,177	762	1,939
1892 ..	1,770	905	202	1,107	728	1,835
1893 ..	1,738	816	169	985	724	1,709
1894 ..	1,769	908	159	1,067	731	1,798
1895 ..	1,540	525	143	668	815	1,483
1896 ..	2,151	800	346	1,146	849	1,995
1897 ..	1,612	603	405	1,008	703	1,711
1898 ..	1,730	424	409	833	817	1,650
1899 ..	2,033	578	520	1,098	951	2,049
1900 ..	988	117	444	561	745	1,306
1901 ..	1,896	620	340	960	698	1,658
1902 ..	2,142	525	732	1,257	987	2,244
1903 ..	2,454	921	349	1,270	986	2,256
1904 ..	2,151	1,036	423	1,459	973	2,432
1905 ..	2,609	384	664	1,048	1,072	2,120
1906 ..	2,663	1,017	477	1,494	1,141	2,635
1907 ..	2,949	1,169	747	1,916	1,116	3,032
1908 ..	2,123	731	454	1,185	1,079	2,264
1909 ..	2,166	643	723	1,366	1,099	2,465
1910 ..	3,152	1,054	968	2,022	984	3,006
1911 ..	2,467	1,014	668	1,682	953	2,635
1912 ..	2,540	383	923	1,306	1,078	2,384

COTTON.

Receipts at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay, since 1864

In thousands of Bales (000's omitted). —*contd.*

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	Indian Ports.	Foreign Countries		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	524	1,023	30	1,587	*1,072	2,659
1914	3,733	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,135	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	419	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	154	762	38	954	921	1,875
1933	2,286	249	2,535	426	1,200	30	1,656	798	2,454
1934	2,293	223	2,516	396	1,136	23	1,555	613	2,168
1935	2,031	471	2,502	413	1,171	34	1,618	885	2,503
1936	2,877	293	3,170	516	1,464	34	2,014	836	2,850
1937	2,643	486	3,129	487	1,591	53	2,131	828	2,959
1938	1,825	728	2,553	354	803	64	1,221	1,037	2,258
1939	1,953	401	2,354	138	865	21	1,024	987	2,011
1940	1,763	485	2,248	284	937	62	1,283	813	2,096
1941	2,167	670	2,837	97	907	44	1,048	1,148	2,196
1942	1,394	570	1,964	213	32	123	368	1,310	1,678
1943	1,551	504	2,055	..	..	..	159	1,484	1,643
1944	1,369	509	1,878	..	..	..	190	1,452	1,642

N.B.—As noted in the Chamber's Report for 1913, the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

*Year ending 30th June.

RAINFALL AT BOMBAY, 1843 TO 1944

The following statement showing the Rainfall recorded at the Colaba Observatory, Bombay, for each month during the years 1843-1944, is published for the information of members.:—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843	..	..	..	..	0.15	7.61	20.62	17.70	8.39	0.77	..	..	55.24
1844	0.06	0.33	..	..	..	18.58	29.28	5.91	8.05	0.40	..	0.10	62.71
1845	..	..	..	..	..	17.88	18.07	9.54	8.63	..	..	..	54.12
1846	..	..	..	..	..	26.41	33.19	6.65	6.65	1.03	..	..	73.93
1847	0.09	0.02	..	0.31	1.40	37.56	16.46	8.68	5.68	0.28	5.53	..	76.01
1848	..	..	..	0.59	5.67	39.98	13.90	7.37	2.32	5.84	0.19	..	75.86
1849	0.34	..	..	..	..	23.41	50.99	12.66	26.13	0.75	0.61	..	114.89
1850	..	..	..	..	..	14.80	20.15	5.39	4.77	4.89	0.25	..	50.25
1851	..	..	..	..	0.52	24.50	47.02	20.03	3.89	0.04	0.07	..	96.07
1852	..	..	0.01	..	0.30	21.76	22.17	11.16	12.67	0.19	..	1.01	69.27
1853	..	0.05	0.02	..	..	33.70	13.05	5.95	9.83	..	..	..	62.60
1854	..	..	..	..	..	16.34	38.95	3.90	13.61	7.49	1.85	..	82.14
1855	..	..	..	..	..	29.18	11.83	3.82	5.29	9.06	..	..	50.18
1856	..	..	..	..	2.09	24.66	24.48	6.73	7.78	0.06	..	0.12	65.92
1857	..	..	..	..	0.57	9.26	8.74	15.71	14.21	2.78	..	..	51.27
1858	..	..	..	0.15	1.57	14.44	20.12	7.48	15.47	3.22	..	..	62.45
1859	..	..	..	..	..	26.87	28.70	14.59	5.94	1.06	..	..	77.16
1860	..	..	..	..	0.03	21.97	22.39	7.11	8.15	2.50	..	..	62.15
1861	..	..	..	..	0.69	15.43	25.34	30.35	3.24	1.86	..	..	76.91
1862	..	..	..	..	0.01	22.31	15.10	12.65	21.69	1.42	0.45	..	73.63
1863	0.41	..	..	0.11	0.07	23.41	30.78	10.60	9.98	2.32	..	..	77.68
1864	..	..	..	..	0.01	15.42	13.36	10.72	5.59	..	0.47	..	45.57
1865	0.38	..	..	..	..	10.61	18.28	36.42	4.86	6.16	1.14	..	77.85
1866	..	0.11	..	..	..	13.47	40.34	20.34	3.44	0.74	..	..	78.44
1867	..	..	..	..	..	8.70	39.39	12.21	6.80	5.07	0.13	..	72.30
1868	..	..	0.01	..	..	13.52	20.43	20.29	7.71	0.14	0.02	..	62.12
1869	..	..	..	..	0.03	26.22	23.89	15.24	22.56	3.55	0.05	0.12	91.66
1870	..	..	0.03	0.02	..	21.73	26.43	6.27	7.08	4.65	..	..	66.21
1871	2.22	..	..	..	1.25	8.91	9.96	8.95	6.01	0.25	2.97	0.06	40.58
1872	..	..	..	..	0.06	24.43	24.84	9.49	16.59	1.07	..	..	76.48
1873	..	0.05	..	..	0.51	20.36	16.98	23.96	7.77	0.07	..	..	69.70
1874	..	..	..	..	0.05	18.68	41.24	11.14	11.05	0.02	..	..	82.18
1875	0.47	..	..	..	..	24.36	15.39	12.23	31.76	..	0.35	..	84.56
1876	..	..	..	..	0.01	12.97	23.69	8.66	4.68	..	..	..	50.01
1877	0.22	0.52	..	..	..	35.58	11.10	8.51	8.89	8.33	..	..	73.15
1878	0.03	..	..	0.02	0.02	19.99	48.33	20.46	16.42	4.89	2.61	..	112.77
1879	..	..	0.03	..	5.23	16.56	11.21	22.36	5.61	0.40	..	..	61.40
1880	..	0.01	0.02	..	..	21.48	18.37	4.08	22.80	1.18	..	..	67.94
1881	..	..	0.04	..	0.36	15.29	29.47	19.06	4.56	4.17	0.09	..	73.04
1882	..	0.04	0.02	0.08	0.02	27.54	26.94	3.36	10.08	1.12	0.03	..	69.23
1883	0.12	..	..	..	0.33	13.65	39.88	12.57	12.37	10.40	0.86	..	90.18
1884	0.03	..	..	..	..	13.25	25.87	15.29	17.04	2.22	0.60	1.14	75.44
1885	..	..	..	..	0.02	5.11	21.81	25.42	12.01	3.54	..	..	67.91
1886	..	..	..	0.01	0.96	43.45	35.79	10.69	6.54	1.69	0.61	..	99.74
1887	..	..	..	0.02	0.09	24.07	30.98	17.59	18.23	2.79	1.02	0.16	94.95
1888	1.85	0.02	0.10	..	..	15.76	22.47	11.43	4.92	0.11	1.16	..	57.82
1889	..	..	..	..	0.67	19.89	30.45	10.32	2.71	3.80	..	..	67.84
1890	..	..	..	0.01	0.06	24.55	21.54	10.61	6.45	0.58	1.25	1.13	66.18
1891	..	..	0.22	..	..	13.99	32.48	6.94	22.53	1.04	..	..	77.20
1892	..	..	..	..	0.11	13.30	23.86	36.56	18.73	1.89	0.67	..	95.12
1893	..	0.14	..	0.02	6.30	21.47	16.14	13.55	7.54	0.45	1.63	..	67.24
1894	0.22	..	0.06	0.01	..	16.87	26.16	8.40	12.04	3.08	..	0.01	66.85
1895	..	0.07	..	..	0.08	17.84	18.04	15.97	11.91	3.62	0.06	..	67.59
1896	..	..	..	..	0.26	28.02	36.44	20.77	1.62	0.01	0.53	..	87.65
1897	0.01	..	..	..	..	14.40	30.19	13.82	20.60	2.51	0.22	..	81.75
1898	..	0.17	..	..	0.16	27.21	20.72	5.28	19.94	0.48	0.13	..	74.09
1899	..	..	..	1.57	0.08	20.81	4.72	5.23	3.49	..	..	..	35.90
1900	..	..	..	..	..	18.26	25.75	17.62	7.49	..	..	..	69.12
1901	0.74	..	..	0.04	0.01	25.86	32.70	14.27	1.81	0.39	..	..	75.32

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1902	..	..	..	..	..	9.77	16.96	16.53	27.11	0.78	0.01	0.81	71.97
1903	..	..	..	0.17	7.79	19.75	24.82	18.23	7.82	5.91	..	..	84.49
1904	..	..	..	0.07	..	0.02	15.10	10.14	5.72	1.81	0.56	..	..	33.42
1905	..	..	0.08	..	..	..	6.53	15.30	4.35	6.16	0.20	1.04	..	33.56
1906	..	..	0.15	..	..	..	12.91	18.34	20.92	3.98	..	..	..	56.30
1907	..	..	0.27	..	0.06	..	22.48	59.05	15.99	2.26	0.67	..	..	100.73
1908	..	0.09	0.07	0.06	..	..	12.39	23.65	9.87	6.79	0.62	..	..	53.54
1909	..	..	..	..	..	..	16.60	30.05	8.52	16.05	..	..	..	71.22
1910	..	..	..	..	..	0.03	23.50	6.50	18.1	15.25	4.29	0.14	..	67.86
1911	..	0.06	..	..	..	0.04	10.85	15.24	17.09	2.96	..	0.27	..	46.51
1912	..	..	..	..	..	0.43	10.79	25.40	9.90	3.26	0.65	3.62	..	54.05
1913	..	..	0.07	..	..	..	25.81	33.33	3.72	5.75	2.35	..	..	71.03
1914	..	..	0.08	..	0.07	..	16.65	30.13	13.27	21.06	0.01	0.18	..	81.45
1915	..	..	0.30	0.69	0.06	0.36	39.78	14.62	8.45	10.78	2.55	0.02	..	77.61
1916	..	..	..	..	0.04	0.07	23.43	22.78	19.51	14.59	4.79	0.72	..	85.93
1917	..	..	1.68	..	..	0.88	14.96	13.26	32.18	16.92	19.96	..	..	99.84
1918	..	..	..	1.46	..	11.00	10.82	4.25	4.81	3.11	..	0.09	..	35.54
1919	..	0.11	..	..	..	..	16.31	31.30	10.85	8.03	1.54	0.18	..	68.32
1920	..	0.99	0.33	..	..	..	8.16	22.00	5.18	4.05	0.34	..	..	41.05
1921	..	..	..	..	..	..	26.74	35.68	10.36	13.02	0.22	..	..	86.02
1922	..	..	..	..	..	..	26.48	31.15	5.08	6.95	0.61	..	0.14	70.41
1923	..	..	0.05	..	0.02	..	7.19	43.26	8.72	18.32	..	..	..	77.56
1924	..	..	..	..	..	..	7.46	16.73	15.43	12.13	0.06	0.38	..	52.19
1925	..	..	..	..	..	2.76	27.86	8.38	7.71	3.52	0.22	0.37	..	50.82
1926	..	2.99	..	..	..	0.10	6.19	30.88	22.21	8.98	1.29	..	..	72.64
1927	..	..	0.04	0.03	..	..	32.52	16.85	6.74	5.33	7.30	5.48	0.09	74.38
1928	..	..	0.01	..	..	..	27.71	30.93	16.65	9.91	0.43	0.09	..	85.72
1929	..	0.63	..	0.02	0.04	..	25.45	16.08	6.06	5.58	4.82	0.22	0.86	59.70
1930	..	..	..	..	..	0.02	26.71	10.26	6.64	43.85	2.50	..	..	89.98
1931	..	..	..	..	0.01	..	6.08	47.50	23.71	4.48	13.07	2.40	0.69	97.94
1932	..	..	..	..	..	..	10.62	35.30	6.96	11.13	9.01	0.01	..	73.03
1933	..	..	..	..	..	2.85	10.29	14.13	18.81	12.31	3.04	0.01	0.93	62.37
1934	..	..	..	..	..	..	28.51	21.40	14.00	5.90	0.20	3.80	..	73.81
1935	..	..	..	..	..	..	27.69	24.10	16.69	11.90	1.04	0.18	..	81.60
1936	..	..	..	..	..	0.33	32.63	8.09	9.27	5.72	0.01	2.31	..	58.36
1937	..	..	0.50	..	0.10	..	18.32	30.40	5.40	14.20	1.70	..	..	70.62
1938	..	..	..	..	..	1.29	31.30	16.00	16.77	10.35	15.17	1.13	..	92.01
1939	..	..	..	..	..	..	4.67	33.07	10.88	5.39	0.17	..	..	54.18
1940	..	..	..	..	..	..	29.98	21.03	28.27	11.26	4.89	0.76	..	96.19
1941	..	..	..	..	..	..	12.20	9.96	5.93	6.03	1.62	..	..	35.74
1942	..	..	..	..	..	..	27.39	32.36	8.23	13.45	..	..	0.29	81.72
1943	..	0.28	..	..	..	6.02	30.19	29.62	3.28	8.15	3.77	0.04	..	81.35
1944	..	..	..	0.07	..	0.20	9.47	45.56	16.32	1.68	0.80	..	..	74.10

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

QUOTATIONS.	Week ending 6th January 1944.	Week ending 14th January 1944.	Week ending 21st January 1944.	Week ending 28th January 1944.	Week ending 4th February 1944.	Week ending 11th February 1944.	Week ending 18th February 1944.	Week ending 25th February 1944.	Week ending 3rd March 1944.	Week ending 9th March 1944.	Week ending 17th March 1944.
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
On England Bank Bills. { Telegraphic Transfer	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.
" Sight	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.
First Class Credits { 3 months' Sight	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.
" 4 "	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.
On Calcutta Bank Telegraphic Transfer	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
English Bar Gold (100 touch per tola)	72 6 0	72 3 0	71 8 0	72 0 0	72 0 0	72 0 0	72 0 0	72 0 0	72 0 0	72 0 0	72 0 0
Sovereigns	49 3 0	49 3 0	48 12 0	49 1 0	49 1 0	49 0 0	49 0 0	49 1 0	48 15 0	49 2 0	49 0 0
Bar Silver { Ready	119 2 0	120 0 0	117 10 0	121 0 0	122 12 0	124 10 0	125 4 0	126 0 0	126 2 0	126 4 0	128 0 0
" Forward	116 10 0	116 12 0	115 6 0	120 0 0	120 6 0	122 2 0	123 10 0	123 4 0	124 2 0	123 4 0	125 4 0
RATES OF DISCOUNT.											
Bank Rate of Discount on Private Bills, 60 days' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
Bank Rate of Interest on Demand Loans on Government Securities	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Rate of Interest in the Open Market on Government Paper	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "	3 "
Money Market	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.
GOVERNMENT SECURITIES.											
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Three and half per cent.	99 0 0	99 0 0	98 13 0	98 14 0	99 2 0	99 2 0	98 13 0	98 13 0	99 2 0	99 3 0	99 4 0
Four per cent. 1960/70	112 6 0	112 8 0	112 9 0	112 10 0	112 11 0	112 11 0	112 11 0	112 9 0	112 10 0	112 12 0	112 11 0
Five per cent., tax free, 1945/55	105 10 0	105 8 0	105 4 0	105 5 0	105 5 0	105 5 0	105 5 0	105 5 0	105 4 0	105 3 0	105 0 0
IMPORTS.											
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Copper Braziers (in Bundles) (per cwt.)	185 0 0	190 0 0	195 0 0	195 0 0	195 0 0	195 0 0	195 0 0	194 0 0	195 0 0	205 0 0	218 0 0
Yellow Metal (") (")	170 0 0	180 0 0	185 0 0	180 0 0	170 0 0	180 0 0	180 0 0	180 0 0	185 0 0	190 0 0	225 0 0
Sugar, Indian (per cwt. ex-Godown)	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0	21 0 0 to 23 8 0
COAL.											
Indian Coal, F.O.R.—											
Bengal Coal—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Deshargarh (Selected Grade) (per ton)	12 0 0	13 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0
Jhoria (Selected Grade) (")	12 2 0	11 0 0	12 2 0	12 2 0	12 2 0	12 2 0	12 0 0	12 4 0	12 4 0	12 4 0	12 4 0
Jhoria (Grade I) (")	9 0 0	13 2 0	11 0 0	11 0 0	11 0 0	11 0 0	11 0 0	11 0 0	11 0 0	11 0 0	11 0 0
Central Provinces (1st class) (")	17 0 0	17 0 0	17 0 0	17 0 0	17 0 0	17 0 0	17 0 0	17 0 0	17 0 0	17 0 0	17 0 0
EXPORTS.											
Cotton.— (Fully pressed, per Candy of 784 lbs.)											
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Indian Cotton Contract	485 0 0 Jan. 44.	482 0 0 Jan. 44.	477 0 0 Jan. 44.	....	....	....	....		....	....	....
" " "	481 0 0 March 44.	476 0 0 March 44.	470 0 0 March 44.	469 0 0 March 44.	474 0 0 March 44.	475 0 0 March 44.	463 0 0 March 44.		455 0 0 March 44.	444 0 0 March 44.	449 0 0 March 44.
" " "	481 0 0 May 44.	478 0 0 May 44.	469 0 0 May 44.	467 0 0 May 44.	473 0 0 May 44.	472 0 0 May 44.	459 0 0 May 44.	Market Closed.	454 0 0 May 44.	441 0 0 May 44.	450 0 0 May 44.
" " "	....	482 0 0 July 44.	473 0 0 July 44.	471 0 0 July 44.	477 0 0 July 44.	474 0 0 July 44.	461 0 0 July 44.		458 0 0 July 44.	448 0 0 July 44.	456 0 0 July 44.
" " "	....	....	....	....	....	....	....		....	....	458 0 0 Sept. 44.
SEEDS AND WHEAT.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Gingelly seed, White Bold, 85 per cent. (per cwt.)	23 0 0	23 0 0	23 0 0	23 0 0	23 0 0	23 0 0	23 0 0	23 0 0	23 0 0	23 0 0	23 0 0
" " Mixed 50 " (")	22 8 0	22 8 0	22 8 0	22 8 0	22 8 0	22 8 0	22 8 0	22 8 0	22 8 0	22 8 0	22 8 0
Linseed, Bold (")	14 4 0	14 4 0	14 0 0	14 0 0	13 4 0	13 4 0	12 10 0	12 12 0	12 12 0	12 12 0	13 0 0
" Small seed (")	13 4 0	13 0 0	12 12 0	12 8 0	11 8 0	11 8 0	11 2 0	11 4 0	11 8 0	11 8 0	11 8 0
Rape seed, Brown, Delhi (")	18 0 0 Nom.	17 8 0 Nom.	16 8 0 Nom.	16 0 0 Nom.	16 8 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.
" " Cawnpore (")	18 0 0 "	17 8 0 "	16 8 0 "	16 0 0 "	16 8 0 "	16 0 0 "	16 0 0 "	16 0 0 "	16 0 0 "	16 0 0 "	16 0 0 "
" Yellow " (")	20 0 0 "	19 8 0 "	18 8 0 "	18 0 0 "	18 8 0 "	18 0 0 "	18 0 0 "	18 0 0 "	18 0 0 "	18 0 0 "	18 0 0 "
Groundnuts, Bombay Bold (")	14 13 0	14 6 0	14 9 0	14 7 0	14 1 0	14 0 0	14 1 0	14 4 0	15 2 0	15 3 0	14 10 0
Castor seed, Small Hyderabad Quality, F.A. (")	15 12 0	15 12 0	15 11 0	15 8 0	14 12 0	14 10 0	14 14 0	15 0 0	16 0 0	16 4 0	16 4 0
FREIGHTS.											
	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.
London—Light Seeds (per ton)	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0
" Cotton (")	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0
Hull—Light Seeds (")	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0
" Cotton (")	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0

Bombay Chamber of Commerce during the year 1944.

Week ending 24th March 1944.	Week ending 31st March 1944.	Week ending 6th April 1944.	Week ending 14th April 1944.	Week ending 21st April 1944.	Week ending 28th April 1944.	Week ending 5th May 1944.	Week ending 12th May 1944.	Week ending 19th May 1944.	Week ending 26th May 1944.	Week ending 2nd June 1944.	Week ending 9th June 1944.	Week ending 16th June 1944.	Week ending 23rd June 1944.	Week ending 30th June 1944.
Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.
Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.	Rs. 5 31/32d.
Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.	Rs. 6 9/32d.
Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.	Rs. 6 11/32d.
100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
72 0 0	78 0 0	73 12 0	76 8 0	77 0 0	77 8 0	77 4 0	77 0 0	75 12 0	76 0 0	76 0 0	75 0 0	75 8 0	74 4 0	75 0 0
49 3 0	53 0 0	49 12 0	51 6 0	51 14 0	52 2 0	52 0 0	51 12 0	51 4 0	51 6 0	51 6 0	50 14 0	50 12 0	50 4 0	50 8 0
131 8 0	136 0 0	133 14 0	137 8 0	139 8 0	139 4 0	138 7 0	139 4 0	135 5 0	133 2 0	135 12 0	133 6 0	129 2 0	127 0 0	130 2 0
129 4 0	133 0 0	130 14 0	135 0 0	137 0 0	138 4 0	136 11 0	137 4 0	134 5 0	131 10 0	134 12 0	132 6 0	128 2 0	123 8 0	126 10 0
3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3
Easy.	In Good Demand.	In Moderate Demand.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
98 8 0	98 6 0	96 8 0	96 10 0	97 10 0	98 13 0	98 1 0	98 12 0	98 14 0	99 0 0	99 6 0	99 2 0	99 1 0	99 3 0	99 3 0
112 8 0	112 8 0	111 8 0	110 12 0	110 12 0	111 10 0	111 10 0	111 8 0	111 14 0	112 0 0	112 6 0	112 8 0	112 9 0	112 8 0	112 7 0
104 12 0	104 11 0	104 8 0	104 8 0	104 8 0	104 8 0	104 7 0	104 6 0	104 7 0	104 7 0	104 10 0	104 11 0	104 11 0	104 11 0	104 13 0
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
220 0 0	....	....	206 0 0	206 0 0	200 0 0	220 0 0	240 0 0	235 0 0	225 0 0	230 0 0	230 0 0	240 0 0	240 0 0	270 0 0
225 0 0	....	....	220 0 0	225 0 0	210 0 0	205 0 0	243 0 0	245 0 0	240 0 0	240 0 0	240 0 0	240 0 0	240 0 0	280 0 0
24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	12 0 0	13 0 0
12 4 0	12 4 0	12 2 0	12 2 0	12 8 0	12 8 0	12 8 0	12 8 0	12 8 0	12 8 0	12 8 0	12 8 0	12 8 0	12 8 0	13 0 0
11 0 0	11 0 0	11 0 0	11 0 0	11 8 0	11 8 0	11 8 0	11 8 0	11 8 0	11 8 0	11 8 0	11 8 0	11 8 0	11 8 0	11 2 0
17 0 0	17 0 0	18 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	18 0 0	No Quotations.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
441 0 0 May 44.	435 0 0 May 44.	438 0 0 May 44.	433 0 0 May 44.	425 0 0 May 44.	424 0 0 May 44.	417 0 0 May 44.	414 0 0 May 44.	418 0 0 May 44.	....	....	....	....	....	....
448 0 0 July 44.	445 0 0 July 44.	447 0 0 July 44.	446 0 0 July 44.	440 0 0 July 44.	439 0 0 July 44.	439 0 0 July 44.	431 0 0 July 44.	434 0 0 July 44.	431 0 0 July 44.	426 0 0 July 44.	422 0 0 July 44.	409 0 0 July 44.	404 0 0 July 44.	407 0 0 July 44.
451 0 0 Sept. 44.	449 0 0 Sept. 44.	452 0 0 Sept. 44.	453 0 0 Sept. 44.	448 0 0 Sept. 44.	447 0 0 Sept. 44.	450 0 0 Sept. 44.	442 0 0 Sept. 44.	444 0 0 Sept. 44.	442 0 0 Sept. 44.	438 0 0 Sept. 44.	432 0 0 Sept. 44.	421 0 0 Sept. 44.	423 0 0 Sept. 44.	430 0 0 Sept. 44.
Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
3 0 0	25 0 0	26 0 0	26 0 0	26 0 0 Nom.	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0
2 8 0	24 8 0	25 8 0	25 8 0	25 8 0 „	25 8 0	25 8 0	25 8 0	25 8 0	25 8 0	25 8 0	25 8 0	25 8 0	25 8 0	25 8 0
3 0 0	13 4 0	13 0 0	13 12 0	13 14 0 „	14 4 0	14 12 0	15 0 0	15 5 0	15 4 0	15 12 0	15 8 0	15 12 0	15 9 0	15 12 0
1 12 0	12 4 0	12 4 0	12 12 0	12 14 0 „	13 4 0	13 8 0	13 14 0	14 4 0	14 4 0	14 12 0	14 10 0	14 12 0	14 10 0	14 12 0
16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	16 0 0 Nom.	17 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.
16 0 0 „	16 0 0 „	16 0 0 „	16 0 0 „	16 0 0 „	17 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „
18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	19 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „
14 10 0	15 6 0	14 12 0	15 2 0	15 0 0 „	15 4 0	15 4 0	15 8 0	15 6 0	15 4 0	14 15 0	15 8 0	15 6 0	15 10 0	15 12 0
16 4 0	16 12 0	16 8 0	16 12 0	16 12 0 „	16 8 0	16 8 0	16 8 0	16 4 0	16 2 0	16 0 0	16 8 0	16 12 0	16 12 0	17 2 0
S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.
89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0
102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0
89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0
102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0

Current Quotations as estimated by the Committee of the Bomb

QUOTATIONS.	Week ending 7th July 1944.	Week ending 14th July 1944.	Week ending 21st July 1944.	Week ending 28th July 1944.	Week ending 3rd Aug. 1944.	Week ending 11th Aug. 1944.	Week ending 18th Aug. 1944.	Week ending 25th Aug. 1944.	Week ending 1st Sept. 1944.	Week ending 8th Sept. 1944.	Week ending 15th Sept. 1944.
EXCHANGE.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
On England Bank Bills — Telegraphic Transfer	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.
On England Bank Bills — Sight	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.	1s. 5 31/32d.
First Class Credits — 3 Months' Sight	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 9/32d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.	1s. 6 1/4d.
First Class Credits — 4 „ „	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 11/32d.	1s. 6 5/16d.	1s. 6 5/16d.	1s. 6 5/16d.	1s. 6 5/16d.	1s. 6 5/16d.	1s. 6 5/16d.
On Calcutta Bank Telegraphic Transfer	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
English Bar Gold (100 Touch per tola)	Rs. a. p. 76 0 0	Rs. a. p. 76 8 0	Rs. a. p. 76 12 0	Rs. a. p. 76 4 0	Rs. a. p. 77 0 0	Rs. a. p. 76 0 0	Rs. a. p. 76 4 0	Rs. a. p. 75 4 0	Rs. a. p. 75 4 6	Rs. a. p. 76 8 0	Rs. a. p. 69 6 0
Sovereigns	51 2 0	51 2 0	51 6 0	51 6 0	51 12 0	51 6 0	51 14 0	51 8 0	51 10 0	46 8 0	46 9 0
Bar Silver — Ready	132 2 0	131 14 0	134 8 0	138 6 0	138 4 0	131 12 0	133 12 0	129 2 0	132 0 0	126 1 0	128 0 0
Bar Silver — Forward	128 2 0	129 6 0	131 8 0	134 6 0	136 4 0	Not quoted.	Not quoted.	128 2 0	130 14 0	125 1 0	125 0 0
RATES OF DISCOUNT.											
Bank Rate of Discount on Private Bills, 60 days' Sight	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
Bank Rate of Interest on Demand Loans, on Government Securities	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
Rate of Interest in the Open Market on Government Papor	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
Money Market	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.
GOVERNMENT SECURITIES.											
Three and half per cent.	Rs. a. p. 99 5 0	Rs. a. p. 99 7 0	Rs. a. p. 99 8 0	Rs. a. p. 99 8 0	Rs. a. p. 99 10 0	Rs. a. p. 99 10 0	Rs. a. p. 99 9 0	Rs. a. p. 99 8 0	Rs. a. p. 99 8 0	Rs. a. p. 99 4 0	Rs. a. p. 99 5 0
Four per cent., 1960/70	112 8 0	112 10 0	112 9 0	112 9 0	112 10 0	112 10 0	112 10 0	112 10 0	112 10 0	112 12 0	112 12 0
Five per cent., Tax Free, 1945/55	104 12 0	104 12 0	104 12 0	104 12 0	104 12 0	104 12 0	104 12 0	104 11 0	104 8 0	104 3 0	103 14 0
IMPORTS.											
Copper Braziers in bundles (per cwt.)	Rs. a. p. 305 0 0	Rs. a. p. 295 0 0	Rs. a. p. 300 0 0	Rs. a. p. 270 0 0	Rs. a. p. 275 0 0	Rs. a. p. 275 0 0	Rs. a. p. 285 0 0	Rs. a. p. 275 0 0	Rs. a. p. 255 0 0	Rs. a. p. 250 0 0	Rs. a. p. 222 0 0
Yellow Metal in bundles („)	285 0 0	275 0 0	285 0 0	260 0 0	265 0 0	265 0 0	260 0 0	260 0 0	245 0 0	236 0 0	210 0 0
Sugar, Indian (per cwt., ex-Godown)	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	24 0 0
COAL.											
Indian Coal, F.O.R.—											
Bengal Coal—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Deghargarh (Selected Grade) (per ton)	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0
Jhoria („) („)	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0
Jhoria (Grade I) („)	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0
Central Provinces (1st class) („)	No Quotations.	No Quotations.	No Quotations.	No Quotations.	No Quotations.	No Quotations.	No Quotations.	No Quotations.	No Quotations.	No Quotations.	No Quotations.
EXPORTS.											
Cotton:—											
(Fully pressed, per candy of 784 lbs.)											
Indian Cotton Contract	Rs. a. p. 404 0 0 July 44.	Rs. a. p. 406 0 0 July 44.	Rs. a. p. 407 0 0 July 44.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p. ....
„ „ „	421 0 0 Sept. 44.	415 0 0 Sept. 44.	415 0 0 Sept. 44.	412 0 0 Sept. 44.	411 0 0 Sept. 41.	Market Closed.	404 0 0 Sept. 44.	401 0 0 Sept. 44.	Market Closed.	400 0 0 Sept. 44.	400 0 0 Sept. 44.
„ „ „	....	....	....	....	....		....	....		....	....
„ „ „	....	....	....	....	....		....	....		....	....
SEEDS AND WHEAT.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Gingelly Seed, White Bold 85 per cent. (per cwt.)	26 0 0	26 0 0	26 0 0	26 0 0	30 0 0	30 0 0	30 0 0	30 0 0	26 0 0	26 0 0	26 0 0
„ „ Mixed 50 „ („)	25 8 0	25 8 0	25 8 0	25 8 0	29 0 0	29 0 0	29 0 0	29 0 0	25 0 0	25 0 0	25 0 0
Linseed, Bold („)	16 0 0	15 12 0	16 0 0	16 0 0	15 13 0	15 10 0	15 12 0	15 12 0	15 2 0	14 11 0	13 12 0
„ Small Seed („)	15 0 0	14 12 0	15 0 0	15 0 0	14 14 0	14 10 0	14 12 0	14 14 0	14 8 0	14 4 0	13 6 0
Rapeseed, Brown, Delhi („)	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.
„ „ Cawnpore („)	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „
„ Yellow „ („)	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	19 0 0 „	19 0 0 „	19 0 0 „	19 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „
Groundnuts, Bombay Bold („)	16 0 0	16 8 0	17 4 0	17 2 0	16 8 0	16 0 0	16 2 0	15 14 0	16 0 0	16 0 0	15 0 0
Castorseed, Small, Hyderabad Quality F.A. („)	17 11 0	17 10 0	17 8 0	17 3 0	17 0 0	16 9 0	16 8 0	16 6 0	16 4 0	16 6 0	16 0 0
FREIGHTS.											
	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.
London—Light Seeds (per ton)	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0
„ Cotton („)	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0
Hull—Light Seeds („)	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0	89 0
Cotton („)	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0

...y Chamber of Commerce during the year 1944—continued.

Week ending 22nd Sept. 1944.	Week ending 29th Sept. 1944.	Week ending 6th Oct. 1944.	Week ending 13th Oct. 1944.	Week ending 20th Oct. 1944.	Week ending 27th Oct. 1944.	Week ending 3rd Nov. 1944.	Week ending 10th Nov. 1944.	Week ending 17th Nov. 1944.	Week ending 24th Nov. 1944.	Week ending 1st Dec. 1944.	Week ending 8th Dec. 1944.	Week ending 15th Dec. 1944.	Week ending 22nd Dec. 1944.	Week ending 29th Dec. 1944.
Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.
...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.	...s. 5 31/32d.
...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.	...s. 6 1/4d.
...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.	...s. 6 5/16d.
100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16	100 1/16
Rs. a. p. 64 2 0	Rs. a. p. 69 8 0	Rs. a. p. 68 12 0	Rs. a. p. 66 0 0	Rs. a. p. 66 4 0	Rs. a. p. 61 0 0	Rs. a. p. 64 3 0	Rs. a. p. 62 13 0	Rs. a. p. 65 2 0	Rs. a. p. 65 11 0	Rs. a. p. 64 9 0	Rs. a. p. 64 13 0	Rs. a. p. 66 14 6	Rs. a. p. 71 9 6	Rs. a. p. 72 8 0
41 12 0	46 4 0	45 9 0	44 4 0	45 10 0	42 14 0	44 14 0	44 2 0	45 4 0	45 11 0	45 0 0	45 2 0	46 8 0	49 6 0	49 14 0
121 0 0 119 4 0	123 0 0 121 14 0	124 4 0 121 13 0	124 10 0 121 10 0	123 13 0 121 13 0	116 0 0 114 8 0	115 12 0 114 8 0	114 5 0 112 13 0	118 8 0 116 12 0	122 8 0 121 6 0	121 4 0 120 0 0	120 12 0 120 7 0	126 10 0 126 6 0	131 6 0 130 15 0	129 10 0 129 4 0
3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.	3 per cent.
3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „	3 „
Easy.	Easy.	Easy.	Easy.	Moderate Demand.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.	Easy.
Rs. a. p. 99 8 0	Rs. a. p. 99 9 0	Rs. a. p. 99 11 0	Rs. a. p. 99 11 0	Rs. a. p. 99 13 0	Rs. a. p. 99 14 0	Rs. a. p. 99 15 0	Rs. a. p. 99 15 0	Rs. a. p. 100 0 0	Rs. a. p. 100 0 0	Rs. a. p. 100 0 0	Rs. a. p. 100 0 0	Rs. a. p. 100 0 0	Rs. a. p. 100 0 0	Rs. a. p. 99 13 0
112 10 0	110 9 0	112 11 0	112 11 0	112 11 0	112 13 0	112 13 0	112 14 0	112 15 0	113 0 0	113 0 0	113 1 0	113 1 0	113 1 0	113 1 0
103 14 0	103 12 0	103 13 0	103 15 0	103 15 0	103 11 0	103 11 0	103 10 0	103 11 0	103 9 0	103 8 0	103 6 0	103 6 0	103 6 0	103 5 0
Rs. a. p. 240 0 0	Rs. a. p. 250 0 0	Rs. a. p. 230 0 0	Rs. a. p. 215 0 0	Rs. a. p. 245 0 0	Rs. a. p. 245 0 0	Rs. a. p. 260 0 0	Rs. a. p. 250 0 0	Rs. a. p. 250 0 0	Rs. a. p. 260 0 0	Rs. a. p. 255 0 0	Rs. a. p. 280 0 0	Rs. a. p. 290 0 0	Rs. a. p. 280 0 0	Rs. a. p. 320 0 0
230 0 0	225 0 0	225 0 0	220 0 0	230 0 0	235 0 0	250 0 0	240 0 0	240 0 0	245 0 0	250 0 0	250 0 0	260 0 0	275 0 0	290 0 0
24 0 0	24 0 0	24 0 0	24 0 0	24 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0
Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 12 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0	Rs. a. p. 13 6 0	Rs. a. p. 13 0 0	Rs. a. p. 13 0 0
13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0	13 0 0
11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0	11 2 0
No Quotations.	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12 0	13 12
Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p. ....
401 0 0 Sept. 44.	....	....	....	....	....	....	409 0 0 March 45.	413 0 0 March 45.	416 0 0 March 45.	423 0 0 March 45.	437 0 0 March 45.	432 0 0 March 45.	447 0 0 March 45.	441 0 0 March 45.
442 0 0 March 45.	419 0 0 March 45.	415 0 0 March 45.	398 0 0 March 45.	405 0 0 March 45.	413 0 0 March 45.	414 0 0 March 45.	414 0 0 May 45.	417 0 0 May 45.	421 0 0 May 45.	427 0 0 May 45.	444 0 0 May 45.	440 0 0 May 45.	458 0 0 May 45.	452 0 0 May 45.
450 0 0 May 45.	421 0 0 May 45.	424 0 0 May 45.	407 0 0 May 45.	413 0 0 May 45.	421 0 0 May 45.	421 0 0 May 45.	....	....	....	....	....	....	....	....
Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.	Ready.
Rs. a. p.	Rs. a. p.	Rs. a p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	26 0 0	....	14 12 0	....	....	....	....
25 0 0	25 0 0	25 8 0	25 8 0	25 0 0	25 0 0	25 0 0	25 0 0	25 0 0	....	14 4 0	....	....	....	....
14 0 0	14 2 0	14 2 0	14 4 0	14 11 0	15 1 0	15 1 0	14 11 0	14 11 0	14 11 0	....	15 0 0	15 0 0 Nom.	15 8 0 Nom.	15 3 0 Nom.
13 8 0	13 12 0	13 12 0	13 12 0	14 4 0	15 0 0	14 10 0 Nom.	14 4 0	14 4 0 Nom.	14 3 0	....	14 12 0 Nom.	14 14 0 „	15 0 0 „	14 11 0 „
18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 Nom.	18 0 0 „	17 8 0 Nom.	17 8 0 „	17 8 0 Nom.	....	17 8 0 „	17 8 0 „	17 8 0 „	17 8 0 „
18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	18 0 0 „	17 8 0 „	17 8 0 „	17 8 0 „	....	17 8 0 „	17 8 0 „	17 8 0 „	17 8 0 „
20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	20 0 0 „	19 8 0 „	19 8 0 „	19 8 0 „	....	19 0 0 „	19 0 0 „	19 0 0 „	19 0 0 „
14 4 0	13 8 0	13 4 0	13 4 0	13 12 0	14 4 0	14 6 0 „	13 10 0 „	13 5 0	13 8 0 „	13 12 0 Nom.	14 0 0 „	14 0 0 „	13 12 0 „	13 15 0 „
15 10 0	14 12 0	14 12 0	14 11 0	15 2 0	15 10 0	15 10 0 „	15 6 0 „	15 6 0	15 4 0 „	15 7 0 „	15 10 0 „	15 12 0 „	15 12 0 „	15 6 0 „
S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.	S. d.
89 0	89 0	89 0	89 0	89 0	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)	89 0 (Per 13 cwts.)
102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0
89 0	89 0	89 0	89 0	89 0	89 0 („)	89 0 („)	89 0 („)	89 0 („)	89 0 („)	89 0 („)	89 0 („)	89 0 („)	89 0 („)	89 0 („)
102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0	102 0

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on 01 February, 2020